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CONTENTS AND SUBJECT INDEX

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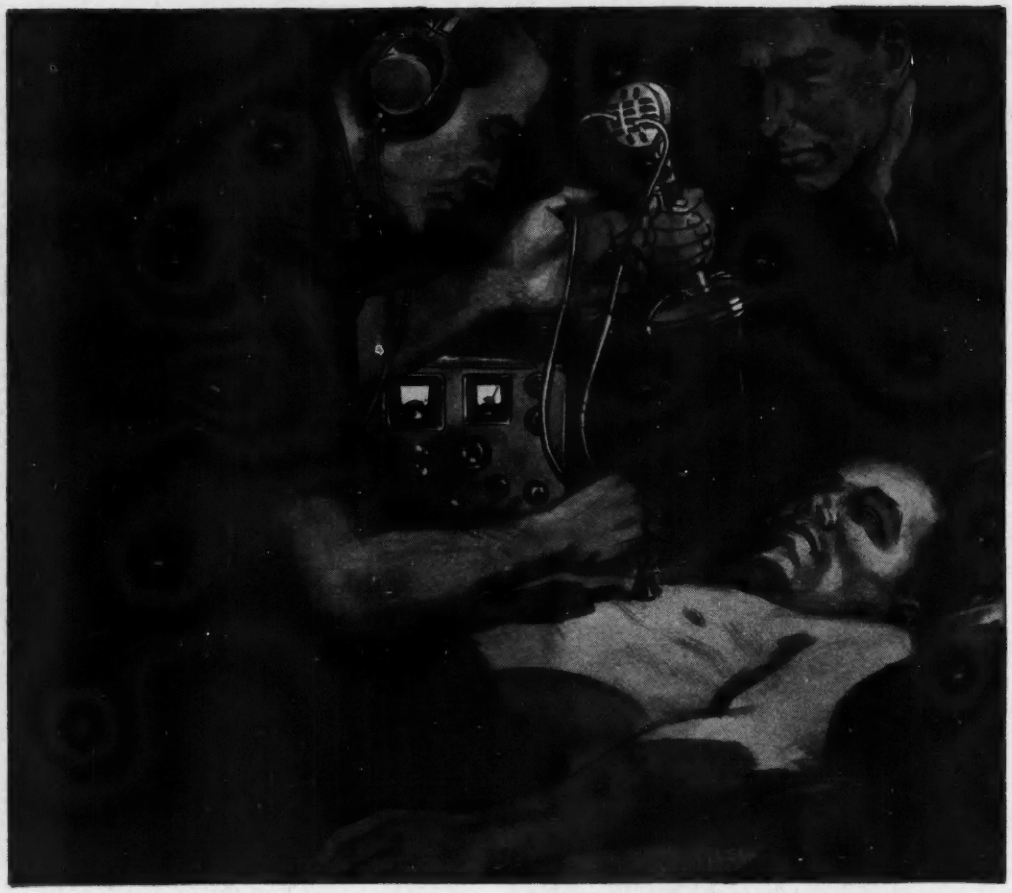

The details of this dramatic story were reported in daily newspapers on December 6, 1944—a tribute to the skill and ingenuity of the physicians in our Armed Forces.

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Roster of Editorial Board appears in this issue at beginning of California Medical Association department. (For page number of C.M.A. department, see index below.)

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Leaflet Regarding Rules of Publication.—CALIFORNIA AND WESTERN MEDICINE has prepared a leaflet explaining its rules regarding publication. This leaflet gives suggestions on the preparation of manuscripts and of illustrations. It is suggested that contributors to this Journal write to its offices requesting a copy of this leaflet.

DEPARTMENT INDEX

(Itemized Index of Articles is printed on Front Cover)

EDITORIALS

PROPOSALS FOR A COMPULSORY SICKNESS INSURANCE LAW FOR CALIFORNIA

(Continued)

"Unhappy Days Are Here Again"—Re: Compulsory Sickness Insurance Laws.—Compulsory sickness legislation again confronts the medical profession of California. Recurrently, during the last thirty years, the physicians of our State have had this experience. However, in this year, 1945, the threat is more serious than ever before. That fact should be taken to heart by every Doctor of Medicine who wants high standards of medical practice to remain available to the citizens of California.

When the present 56th California Legislature started its one-month recess on January 26th, four major compulsory sickness bills had been submitted:

1. Assembly Bill 449, sponsored by the C.I.O.;
2. Assembly Bill 800, sponsored by Governor Earl Warren;
3. Assembly Bill 1200, sponsored by the California Medical Association;
4. Assembly Bill 1414, sponsored by Assemblyman Rosenthal. (This bill is identical with the measure proposed several years ago by former Governor Olsen.)

* * *

Story Is Told In Current Issue.—The story of the introduction of these and related bills may be gleaned, if one will glance at the many items which appear in the current issue of CALIFORNIA AND WESTERN MEDICINE, on pages 64 to 92.

* * *

No Apology For Giving Space to What Is Taking Place.—No apology is made by the Editorial Board for giving so much space to a description of the events that have led up to the proposed legislation. If medical practice, as formerly and now conducted, is to have its best elements and procedures preserved and kept in operation, it will be necessary for every member of the California Medical Association to appreciate the significance of certain impending changes that now threaten the proper maintenance of the public health.

Defeat lies ahead, if the medical profession fails effectively to educate the public concerning the menaces involved in some of the legislation that has been proposed.

Physicians who have been in the habit of giving only scant or casual attention to laws designed to change the system of medical practice, now owe it to themselves and the profession to take time to read the stories that have come out of Sacramento, and to acquaint themselves concerning the dangers ahead. In this current number. on pages 64 to 92, those recitals, as presented by press representatives and others, are made conveniently available for perusal and consideration.

* * *

Strenuous Campaign of Education Is in Order.—By those who have given careful thought to the issues involved, it is generally held that if we are to prevent an arbitrary, foreign and undesirable system of medical practice from being thrust and inflicted upon the citizens of California, it will be necessary to carry on a strenuous campaign of education, both of the members of the profession and the public. It is also agreed that much of this educational work can be most efficiently carried forward through physicians themselves.

However, physicians cannot be good teachers unless they themselves are thoroughly familiar with their subject, and its ramifications. That is why it is so important that every member of the California Medical Association shall take the time to read and ponder the implications contained in the press and other articles referred to above, appearing in the current issue of the OFFICIAL JOURNAL and to be printed in future numbers.

The first chapter of the story of what is taking place at the present time, concerning proposed compulsory sickness insurance plans, appeared in the January issue of CALIFORNIA AND WESTERN MEDICINE (pages 1 to 3, and 25 to 40). Physicians who failed to scan those accounts should now refer to this source material, if they would properly orient themselves. What may be called Chapter II of the story, will be found in the current number, on pages noted above.

* * *

Every C.M.A. Member Must Do His Part.—The Association's officers cannot carry on this battle alone. The active aid of every physician who respects himself and his profession is needed. If that coöperation and support are not given, it is quite within the range of possibility that State Assemblymen and Senators may enact adverse laws, or,—in case of referendum or other initiative,—the people of California may themselves bring into being a compulsory sickness insurance plan that would not only make for a lower quality of medical care, but must permanently demoralize medical practice as now carried on. This, not only for California, but possibly for other States in the Union.

* * *

C.M.A. Officers Have Called Attention to What is Taking Place.—The constituted authorities of the California Medical Association: (1) House of Delegates; (2) Council; and (3) Executive Committee,—through meetings, letters and other announcements have indicated to C.M.A. members the grave nature of the proposed laws, and have taken steps to inaugurate and carry through an aggressive campaign of education. However, the time to do this is short. Some of the opposnig forces have publicity and other facilities available that will be most difficult to combat. Delay is dangerous. Time is of the essence.

* * *

Public Is Being Rapidly Educated, but Often to the Disadvantage of Scientific Medicine.—The press items appearing in this current issue of the OFFICIAL JOURNAL should make clear to all how extensive has been the propaganda already given to the public. To purchase advertising space of amount and value equal to that of the news articles appearing on front and other display pages of newspapers, would necessitate an expenditure of some hundreds of thousands of dollars. (Granted, for argument's sake, that the advertisements would be read with the same interest as the news items?)

Before these controversial issues are settled at Sacramento, there will be a vast amount of additional and prominent space given to the subject by newspapers and discussion forums of the State.

It follows, therefore, that the citizens of California will form opinions thereon, and in due time probably will insist on some kind of action, through legislative or by initiative law, that will try to solve the problem, how to supply adequate medical care for citizens in the low-income groups of California. Such a law could be for better or for worse. Time would tell.

* * *

Public Is Opposed to Low Income Citizens Being Plunged into Bankruptcy Because of Illness.—One of the results of the large amount of publicity that has been given to sickness insurance plans, and already noticeable, is the opinion held by a majority of citizens of California, that many persons belonging to the lower income groups are unable to meet the costs of medical and hospitalization care of catastrophic illness. Almost everywhere the sentiment is expressed that something must be done to bring about a betterment, so that fellow citizens of small wage incomes may be able to secure medical and hospitalization care without involving themselves and their families in virtual bankruptcy.

As a guide for educational action, it is essential that this fact be recognized by physicians; and that proper effort be made, preferably under medical leadership, to indicate the procedures through which the need may be met.

* * *

High Costs of Hospitalization Care.—Living as we do, in a complex and highly intefwoven and complicated civilization, the physician of today, in order to utilize his time to best advantage

in giving a proper quality of medical service, particularly in larger urban environments, must of necessity use hospitals and their facilities.

But hospitals, in one sense, are only hotels for sick instead of healthy persons; and, as such, necessarily must have larger numbers of skilled and technical employees, and greater amounts of specialized equipment. With nurses now working on eight hour shifts, the daily cost of hospital care in serious illness, if one or more members of a family of limited means are obliged to have hospital care for weeks, can easily impoverish it.

However, propagandists for compulsory insurance plans have given to the public the impression that hospital service is medical care, and that these high costs are primarily the fault of the medical profession! Therefore, according to them, the existing system of medical practice *must* be changed. Causative factors of illness, such as improper nourishment, vicious habits, ignorance, heredity, modes of living dependent on poverty, or illiteracy, are usually given very little attention by these propagandists who espouse a new social order in medical practice.

Hence, since the public, through such individuals and agencies, has already been educated to accept fallacious premises and conclusions concerning the economics and procedures of medical practice, the medical profession must now determine what steps shall be taken to overcome these erroneous impressions.

The task will not be easy. Physicians who are skeptical in regard to the above, should attend or listen in on some of the forum and round-table discussions at which these problems are considered, and note how well, in the paper and theoretical systems espoused, the proponents glibly put forth their alluring arguments for better medical care.

* * *

California Medical Association Bill Has Number A.B. 1200.—The bill sponsored by the California Medical Association (A.B. 1200) appears in full text in the current issue on page 65. A digest of its major provisions is given on page 91. See also items on pages 69, 73, 79, 81, 82, 83, 85, 89.

Comments are also made concerning the C.I.O. bill (A.B. 449), on page 89.

Governor Warren's measure (A.B. 800), is outlined on page 90.

The hope is expressed that all C.M.A. members will take the time to study the nature and scope of the proposed laws.

* * *

"Official Journal" Will Aim to Inform Members Concerning New Developments.—If there be readers of CALIFORNIA AND WESTERN MEDICINE who would look askance at the amount of space now being allocated in CALIFORNIA AND WESTERN MEDICINE to informative items concerning the proposed compulsory sickness legislation, it may be in order to remind such that the OFFICIAL JOURNAL of the California Medical Association is not primarily a publication to expound only the merits of Scientific Medicine, but is rather the printed medium through which the 7,627 C.M.A. members (of whom 2,168 are in military service) are to be kept informed concerning the activities of their Association, and the steps taken by its constituted authorities to conserve and promote the best interests of the profession and medical practice, and of the public health. For the time being, whether one or two or even a half dozen additional scientific articles are omitted from the pages of CALIFORNIA AND WESTERN MEDICINE is of little moment compared to the larger interests at stake in the proposed legislation.

* * *

C.M.A. Members Should Send Suggestions to State Councilors.—As stated in previous issues, component county societies and their members should feel free to communicate their suggestions and views on these subjects to C.M.A. Councilors and General Officers. With unity of outlook and action, the profession of California will have far greater chance of securing successful end-results in the issues now before us.

EDITORIAL COMMENT†

ANTIFIBRINOLYTIC THERAPY

In 1933 it was discovered by Tillett and Garner[1] that beta hemolytic streptococci produce an exotoxin capable of liquefying human fibrin. Patients convalescent from beta hemolytic streptococcal infections usually develop an antiserum capable of neutralizing this fibrinolysin. Tillett[2] subsequently reported evidence that this streptofibrinolysin is presumably not a proteolytic enzyme. During the course of studies of the clinical significance of convalescent antiserums, Mirsky[3] and his associates of the Army Air Field, Lincoln, Nebraska, were struck by the parallelism between the antifibrinolytic and antitryptic titers of such serums. This suggested the possibility that fibrinolysin is more closely related to trypsin than previously assumed, and that antitryptic therapy might be of value in limiting the local spread of beta hemolytic streptococcal infections.

Two antitrypsins were available for tests: (a) the crystalline "trypsin inhibitor" isolated from beef pancreas by Northrop and Kunitz,[4] and (b) the soybean antitrypsin recently described by Ham and Sandstedt.[5] Both were tested for their effects on in vitro liquefaction of human fibrin by beta hemolytic streptococci filtrates. It was found that as little as 1 mgm. of the pancreatic inhibitor would delay liquefaction of solid human fibrin from the control period of 39 minutes to

† This department of CALIFORNIA AND WESTERN MEDICINE presents editorial comments by contributing members on items of medical progress, science and practice, and on topics from recent medical books or journals. An invitation is extended to all members of the California Medical Association to submit brief editorial discussions suitable for publication in this department No presentation should be over five hundred words in length.

as much as 3.5 hours, and that 5 mgm. would delay fibrinolysis for as long as 63 hours. They found that this inhibitor would not only neutralize strepto-fibrinolysin, but in higher concentration would also inhibit aseptic antolysis of human fibrin. Grob[6] had previously shown that the pancreatic inhibitor also retards the rate of proliferation of hemolytic streptococci. The soybean inhibitor had similar properties, but was somewhat less effective, 5 mgm. delaying fibrinolysin for but little more than 24 hours. Both pancreatic and soybean antitrypsins are nontoxic when injected in relatively large doses into the peritoneal cavity of mice or guinea pigs.

Mirsky's studies lend support to the belief that the strepto-fibrinolysin is a proteolytic enzyme closely related to trypsin, and that the antitryptic titer of the blood is of clinical significance in streptococcal disease. If so, it should be possible to limit the spread of beta hemolytic streptococcal infections by regional or systemic administration of either pancreatic or soybean antitrypsin. The clinical value of this suggested possibility is now under investigation.

P. O. Box 51.

W. H. MANWARING,
Stanford University.

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OF MICE, AND MEN AND WOMEN

Despite the gains in medical practice attained by animal experimentation, every new experimental fact must span the abyss between species.

In 1913 Loeb showed that ovariectomy at an early age reduced the incidence of spontaneous breast cancer in mice. From that time on, a vast amount of research on the relation of both endogenous and exogenous estrogens to the genesis of breast and uterine cancer in mice has been accumulated. The exact mechanism of the estrogenic stimulus remains unknown. Some clinicians have earnestly asked for experimental guidance in determining the safe therapeutic dosage of estrogens. Others have warned against overdosage, and indiscriminate dosage. Still others have brushed aside the experimental evidence as something peculiar only to mice. Few planned critical experiments can be done on humans. However, significant observations occur incidental to custom, or in association with unrelated events. Such has been the case in regard to the proliferative responses from estrogens.

The estrogenic stimulation of the female genital tissues in aplasia and atrophy is generally recognized. It has also been observed that the benign tumors—fibro adenomas of the breast, myomas of the uterus and ovarian cysts—arise during the period of active ovarian function. Carcinoma of the breast and of the uterus have been reported as occurring frequently in association with a delayed menopause (i.e., after 50 years).

Carcinoma of the breast coincident with strenuous estrogen therapy has been reported three times. Causal relationship would be almost impossible to prove. From the nature of the cases, they are not likely to be published. One hears of other examples, and occasionally finds one concealed in the literature. An anonymous registry for such cases might help to accumulate enough data to unravel the significance of isolated observations. In its pathology as well as its physiology the breast is a secondary sex organ. Study of it as part of the sex endocrine system is a fruitful though neglected clinical subject. A similar association of adenocarcinoma of the uterus with estrogenic therapy has been noted.

Three editorials on the injudicious use of estrogens have appeared in the *J.A.M.A.* Quite recently the *J.A.M.A.* has published three articles on the rôle of injudicious endocrine therapy in the delayed diagnosis of uterine cancer, on the management of cases predisposed to adenocarcinoma of the uterus, and on the control of cancer of the uterus. The emphasis of these articles is not so much one of warning of danger, as one of hopefulness that early diagnosis and cure of these cancers can be made if their antecedent and associated manifestations are watched as significant changes.

Massive estrogen therapy is deliberately used in treating cancer of the prostate. Pain and enlargement of the breast is not an unusual observation in the course of this treatment. As far back as 1942 the British Journal of Surgery reported the development of a "dangerous degree" of chronic mastitis in two male workers in stilbestrol. The *J.A.M.A.* of January 13, 1945, records the histological confirmation of the clinically noted chronic cystic mastitis in the course of estrogen treatment for cancer of the prostate. Since cancer of the prostate cases will receive the most massive estrogenic therapy of any human group, and the doses will probably be highest before the optimum use is evolved, these cases offer a unique opportunity for bridging the chasm between research and practice. Every opportunity should be presented to study this material.

Breast cancer has been reported as following shortly after the diagnosis of granulosa cell tumor. About 10 per cent of the cases of granulosa cell tumor have coexisting adenocarcinoma of the uterus. When one recalls that the estrogenic potency of granulosa cell tumors varies, and so does their duration before operation, and that case follow-up is not always maintained, this figure seems of etiological significance.

(Concluded on Page 61)

ORIGINAL ARTICLES

Scientific and General

MALPRACTICE ACTIONS: WHO STARTS THEM?*

LOUIS J. REGAN, M.D., LL.B.
Los Angeles

ALMOST every unjust malpractice claim is precipitated by a physician. If physicians were always able to obtain perfect results there would, of course, be no malpractice actions. But deaths, untoward and unexpected results, continuing disabilities, and complications occur and will continue to occur. Any patient with less than a perfect end result is a potential malpractice claimant. Whether or not such a patient brings an action is often determined by his feeling toward the physician.

Patients who have a friendly feeling for the physician and patients who believe that everything possible has been done for them are not so likely to sue for malpractice, even in bad result cases. It is otherwise if the patient is resentful of some fancied or actual affront, if he believes he has not been sufficiently closely attended, or above all if some third person raises a doubt in his mind as to the propriety of the treatment.

ELEMENTS IN PATIENT PSYCHOLOGY

Certain elements of patient psychology as factors in malpractice causation have received too little attention. Although the patient presents himself sick or injured to his physician, he nevertheless visualizes himself as he was, prior to becoming sick, with his body structures intact. If the patient has a Colles fracture, he compares the final result with his wrist as it was before the injury, not with the wrist he presents to the physician. Again, the average patient is not prepared to understand an error in diagnosis or the failure to make an early diagnosis. We may agree that the surgeon faced with an acute abdomen cannot ordinarily delay operation until he can be certain of the diagnosis; if he does, mortality rates rise.

We have a case of this sort now in which a surgeon is threatened with suit. In this case after careful observation and investigation operation was performed on a diagnosis of Probable Appendicitis. The appendix proved to be normal. The patient was found to have acute Cholecystitis, and the gall bladder was removed. Unfortunately, the patient had a very stormy post-operative course. Another physician who thereafter came on the case was indiscreet in his remarks and suit is threatened.

PRECIPITATING OR EXCITING CAUSES OF MALPRACTICE SUITS

There are many unsolved problems in medicine. There are many conditions the cause of which is unknown. The importance of removing or controlling a causative factor is axiomatic.

In respect to malpractice we do know the precipitating cause. Almost every malpractice claim is instigated by a physician. That may seem to be a harsh statement but it is the truth. Unethical and destructive criticism by one physician of the professional care rendered a patient by another physician is the cause of most of the unjust malpractice accusations. Such criticism acts as a sort of virus which implanted in the mind of the patient produces, after an incubation period of varying length, the inevitable result.

We know the chief cause of this plague. However, the cause is not easily controllable. It seems that to refrain from criticism is almost beyond the power of some of us. Why is it that physicians are so prone to criticize their colleagues? There appears to be no simple answer to this question. There is no denying the fact, however, nor that the effects are deplorable.

It is not suggested at all that any physician should conceal or cover up an instance of actual malpractice whether on his own part or on the part of another physician. But that is not the point we are considering. The important questions to ask ourselves now are: can any physician fairly and ethically criticize the work of or the result obtained by another physician until and unless he is in possession of all of the facts of the case? Must he not have the story of the physician as well as the patient's story?

CONTRIBUTORY CAUSES OF MALPRACTICE SUITS

There are some contributing causes which should be mentioned in any discussion of the etiology of malpractice, particularly the following:

1. Failure of the physician to exercise tact in his contact with the patient and the patient's family.
2. Charging excessive fees.
3. The use of irritating fee collection methods.
4. Making over-optimtistic prognoses, promising too much to the patient.
5. The failure to prepare the patient for reasonably to be anticipated anatomical, cosmetic or functional defect or deficiency.
6. The delegation of duties to poorly qualified assistants beyond their capacity to perform.
7. The physician absenting himself without notice to his patients, and without arranging to have a well-qualified substitute available.
8. The failure to have a consultant see a patient who is complaining of his care or progress.
9. The making of statements which can be construed as admissions of fault.
10. The physician telling the patient that he has malpractice insurance coverage.
11. The failure to warn the patient against his unwise course when he does not follow advice, or discontinues treatment before he should.
12. The undertaking to treat cases not well within the physician's experience and understanding.

* Read before the Staff of St. Luke Hospital, Pasadena, California, November 16, 1944.

13. Failure to secure consent to operation and for autopsy.

14. Failure of the physician to keep abreast of developments in his profession.

15. Utilization of procedures of an experimental character.

16. Failure to employ x-ray and clinical laboratory facilities in diagnosis and in treatment.

17. Failure to exercise ordinary care in maintaining plant and equipment in a safe condition, and

18. Abandonment of the patient.

While there are some other contributing causes of malpractice which might be noted, every physician should at least bear these eighteen in mind and should protect himself accordingly. In any consideration of malpractice, because of their paramount importance, reference should be made to medical case records. It must never be forgotten that good records afford the physician his greatest protection against any malpractice claim.

ACCESSORY CAUSATIVE FACTORS

We should understand, too, that there are cases in which the criticism of a third party plays little or no part. These may be conveniently grouped as follows:

1. Those in which the doctrine or res ipsa loquitur ("the thing speaks for itself") is held to apply, as in cases of diathermy burn, sponge left in the tissues, etc.

2. Those in which it is held that the facts are within "common knowledge and observation," and hence the plaintiff is not required to present medical expert testimony in order to make his case.

This group is very similar to group 1, and may be illustrated: During a tonsillectomy the uvula and the anterior and posterior pillars were removed. The court said that it is a matter of common knowledge and observation that this is no part of a tonsillectomy.

3. Those based upon the failure of the physician to obtain the patient's consent to the procedure undertaken. No expert testimony is required in these cases.

4. Those based upon an invasion of right of privacy, the patient complaining of having been exposed to shame and humiliation. To illustrate: In a recent case a patient claims that something like a public parade passed through the delivery room while she was being delivered.

COMMENT

It should be noted that the cases in these several groups border on malpractice, or may be taken for actual instances of malpractice. They all, more or less, speak for themselves and do not require the critical remarks of a physician to mold them into actual claims. Moreover, physicians, by careful attention to the requirements of good practice can, in large measure, avoid claims based upon situations such as those illustrated in these four groups.

It is completely different in a great majority of malpractice claims. In at least 80 per cent of them the attending physician has possessed and exercised ordinary and average professional skill, care, diligence and judgment, in the diagnosis and treatment of the case. Despite all his care and attention, unsatisfactory results occur. The next physician coming on the case, basing his opinion on his findings and upon what the patient tells him, permits himself to be critical of his predecessor—another example of the distressing formula, viz: bad result, plus some physician's unethical criticism equals unjustified malpractice suit.

ON RELATION OF THE LEGAL PROFESSION

Physicians are inclined to blame attorneys for bringing these many unjustified actions. One frequently hears: "Why doesn't the Bar Association do something about it?" But let us be fair and put the blame where it belongs. No one can reasonably blame an attorney for bringing an action on behalf of a patient, when some physician condemns as unskillful or negligent the care which was rendered to that patient.

The great and growing weight of the influence of the Bar is undoubtedly on the side of eliminating unjust legal actions. To promote that influence in the field of medical malpractice it is important that attorneys, as a group, be brought to recognize the fact that the medical profession, in seeking freedom from unjust persecution, is not seeking to work injustice on any patient who may have a deserving claim against a physician. Furthermore it is of tremendous importance that all medical testimony be fair and uncolored. Medical expert testimony must be worthy of the confidence we seek to have the Bench, the Bar, and the public, place in it.

CONCERNING PHYSICIANS—ILLUSTRATIVE CASES

Criticism of another doctor may be in words—direct and forthright, as "Who butchered you?"; "they made a mess out of you,"; "you couldn't expect anything else from a doctor like that," or, indirect and inferential as "I would treat it differently"; "that would not be my way of doing it"; "I wonder why the doctor did that,"—or criticism may be indicated by attitude or action, by a shrug, shaking the head, lifting the eyebrow.

Instances of unjust claims incited by improper criticism may be cited in great number.

As illustrative of large groups, a few cases are referred to.

CASE 1.—A patient presented an ugly scar and a large ventral hernia. She gave a history of a recent appendectomy. The physician, without going further into the matter, declared that he had never seen a poorer piece of work. A malpractice claim against the original surgeon resulted.

The actual facts:—The patient had an appendectomy. The appendix had sloughed from the cecum. A large abscess had developed into which intestinal content was draining. After surgery the patient developed an acute postoperative alcoholic hallucinosis. The patient refused

to permit the original surgeon to do secondary surgery, although, because of her poor financial circumstances the surgeon offered to do this surgery gratuitously.

* * *

CASE 2.—On a dark night an automobilist was endeavoring to push his stalled car off the highway. Another car struck him, catching his legs between the two bumpers. The result: compound comminuted fractures of both bones of both legs just below the knees, with great soft tissue damage and massive hemorrhage. When this patient was admitted to the hospital he was in severe shock, and in a critical condition. His care, even from hind-sight point of view, was splendid. One month later, both legs being in casts, x-rays showing good position and alignment, the patient insisted on leaving the hospital. This he did against his physician's advice. The patient was given instructions in writing to return to the out-patient clinic for further observation and treatment.

The patient did not return to the original physician. He consulted another physician. The second physician never contacted the first physician, or asked to see the several x-ray films which had been made. He did remove and reapply the casts. Later when it became apparent that there was non-union of the fracture of one tibia, the second physician imputed the responsibility therefor to the unskilled and negligent care of the first physician. As the result, suit was filed.

* * *

CASE 3.—An employed young woman developed a skin eruption. The physician, to whom she was sent by her employer, made a diagnosis of neuro-dermatitis. Her treatment included the use of a quartz lamp, but no x-ray. The patient, dissatisfied with her progress, consulted another physician, here designated as physician No. 2. Physician No. 2 sent the patient to a dermatologist. This specialist also made a diagnosis of neurodermatitis, and further reported that there was no evidence of radiation injury. Following this, physician No. 2 made a report to an insurance carrier on behalf of the patient. In this report he stated that she had sustained a third degree x-ray burn. He also wrote a letter to the patient's attorney incorporating this same statement. Suit has been filed against the original physician.

* * *

CASE 4.—A young woman, pregnant for the first time, began to have bright red vaginal bleeding during the third trimester of her gestation. The bleeding was not accompanied by pain. A diagnosis was made of placenta praevia. X-ray disclosed twin pregnancy with double breech presentation. She was kept in bed most of the time for several weeks, and the bleeding was well controlled. During this period she was twice admitted to hospital when the bleeding became more threatening. The periods of hospitalization covered about two weeks. Two days after her second stay in the hospital the patient went into active labor and hemorrhage became progressively worse. A consultant was called in and it was decided to do a Caesarian section. A low segment type of Caesarian was done. The patient developed a severe post-partum infection. The treatment she received was excellent and, all things considered, the patient did very well.

The patient's family were distressed by all these difficulties and worried because of expense. About two weeks after the delivery, the patient was removed from the hospital and placed under the care of a second physician. She was transferred to a second hospital. This was done without the prior knowledge of the first physician.

Suit is now threatened against the first physician. In a case such as this, very little incitation is necessary. It is believed that the threat to sue is due to the attitude and the remarks of the second physician. Whether the matter goes on to actual suit apparently depends entirely on him. The second physician has now been placed in posession of all the facts of the case. He might have had the full facts at any time had he sought them. If now he indulges only in fair comment, there probably will be no suit.

IN CONCLUSION

If an economic recession follows our war prosperity, it must be apprehended that there may be a marked increase in the number of malpractice claims.

Since it is physicians who start malpractice cases, it is certain that there will be a sharp decrease in malpractice incidence when physicians, themselves, stop instigating unjust malpractice suits. Whenever a bad result case is presented to any physician, that physician must insist upon being put in possession of *all* of the facts of the case before he permits himself to condemn the professional care previously rendered to that patient.

6777 Hollywood Boulevard.

PREPAID MEDICAL SERVICE PLANNING*

N. O. GUNDERSON, M. D.
Rockford, Illinois

At the present time considerable attention is being devoted to Prepaid Medical Service Planning, which is reviewed in this article in terms of the patient, family physician, and legislator.

Certain principles of medical care as applied to distribution and cost are also evaluated in relation to our American Way of Life. Prepaid medical service planning appears to be necessary for the post-war era. What future course to follow in this all-absorbing phase of health preservation is left to the judgment of the reader.

CONTENTS

Introduction

THIS article has been prepared as a condensed review of what appears to be a realistic approach to prepaid medical service planning.

The various views expressed may perhaps be of interest to patients, employers, physicians, and legislators, whether on a local, state, or federal basis.

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* From the Office of the Commissioner of Health, Department of Public Health, Rockford, Illinois.

† For ease in reference, queries have been given numbers by Editor of CALIFORNIA AND WESTERN MEDICINE.

I—Orientation†

1—What kind of medical care is wanted?
It is self-evident that every American wants the **best medical service possible.**

2—Is this attainable?
America is the one country that has the **essential facilities** for offering the best medical service possible.

3—Why is this true?
Because American ingenuity and foresight have seen fit through voluntary and legislative means to support that type of medical practice, which has resulted in a system of medical care **unequaled in any other country in the world.**

4—Is this a priceless heritage?
Experience has shown, and statistics verify the contention that (1) life expectancy, (2) freedom from illness, (3) avoidance of premature death in this country, is an American heritage **which perhaps needs to be zealously safeguarded.**

5—Is this true in other countries?
Investigation and study apparently reveal that these same conditions **do not prevail in other countries.**

* * *

II—Medical Leadership

6—What is the reason for this American leadership?
America has been willing to accept the premise that all features of medical service, in any method of medical practice, of necessity needs to be under the immediate guidance of the medical profession.

7—Is this basic?
Apparently, because no other individual, or groups of individuals, are educationally equipped and qualified to exercise impartially this guidance and supervision.

* * *

III—Patient Coöperation

8—Is this true in terms of patients seeking medical care?
Just a little thought suggests the wisdom of not permitting any third person, or organization, **to come between the patient and his physician** in any medical relation.

9—What about responsibility?
In all fairness, it perhaps can be conceded that responsibility for the character of medical service can be borne by the profession with "advantage to all concerned."

10—Do patients desire to choose their own doctor?
Patients, in order to get well, need to be granted full latitude in choosing a legally qualified doctor of medicine, who will serve them among all those qualified to practice, and who is willing to give such service.

11—How do patients want medical service administered?
The method of giving medical service needs to be a permament **confidential** matter between the patient and a "family physician" if that patient is to be satisfied, protected, and given hope for early recovery.

12—Is this essential?
In order to be successful, it is highly essential that this relation be the fundamental and dominating feature of any medical service plan.

IV—The Cost of Medical Service

13—What about the cost of medical service?
In whatever way the cost of medical service is distributed, it of necessity needs to be paid for by the patient **in accordance with his income status,** and in a manner that is mutually satisfactory between the patient and family physician.

14—What about "cash benefits"?
Medical service need not, and must have no connection, with any cash benefits.

15—Are medical costs excessive in America?
To be realistic on this point, **the answer is yes,** similar to other costs in business, manufacturing, building a home, and educating children.

16—What can be done about it?
As in other fields, plans and preparations are being formulated to meet these costs on a prepayment basis.

17—How can this be done?
Through **prepaid medical service planning,** as in other fields of post-war planning.

18—Is this being done?
Yes, the American public at long last has come to realize that prepayment plans for medical service are as basic as any other planning to meet unanticipated emergencies.

19—Can full coverage be obtained?
Like any other assurance against the unexpected, insurance coverage against unexpected medical emergencies can, because of actuarial experience, be obtained on a **partial coverage basis only.**

* * *

V—Regarding Medical Institutions

20—What about the operation of medical institutions?
To be successful, which is the desire of the American public, it is highly essential that the medical phases **of all institutions** involved in medical service be under professional medical guidance and supervision.

21—Does this include all phases of hospitalization?
It should be clearly understood that **hospital service** and **medical service** are two distinct entities, and each requires separate consideration.

22—What are "medical service" institutions?
Medical service institutions, whether they function under the name of a hospital or some other name, are but expansions of the equipment of the "family physician."

23—What is the basis for this contention?
The family physician is the only one whom **the laws of all nations** recognize as competent to use these institutions in the furnishing of adequate medical service.

* * *

VI—Evaluation of These Institutions

24—Who can determine the adequacy of such institutions?
The medical profession, because of its unique, ultra scientific basic training in human illness, **is particularly fitted** to determine the adequacy and character of medical service in institutions.

25—Upon what does the value of these institutions depend?
The value of all medical institutions depends primarily on their operation according to **accepted medical standards.**

* * *

VII—What About Doctors?

26—What about the "all inclusiveness" of medical service?
Medical service in any and all forms, of neces-

sity, need to include within it's scope, **all legally qualified doctors of medicine** of the locality covered by its operation, who wish to give service **under accepted standards** of operation. This is basic as in every other type of business.

27—What medical service restrictions are undesirable to American patients?

There should be no restrictions on (1) **treatment,** or (2) **prescribing,** not formulated and guided **by the medical profession.**

28—Why is this apparently true?

The quickest way to afford the American people with **inferior medical service,** so prevalent in all too many other countries, is to allow a third person, whether he represents an individual, corporate body, organization, or civic authority, to place restrictions on (1) medical treatment, or (2) prescribing, which today can gain headway unless the **stop signal of "caution"** is observed.

29—Is there proof of this contention?

Inability to carry out an accepted method of treatment, or failure to obtain an accepted medicine, vaccine, or serum for patients, because of lay adopted rules and regulations promulgated **without medical guidance** seriously handicaps a patient in getting well.

30—Is this very prevalent at the present time?

Fortunately American ingenuity has seen fit to leave most of these problems up to the present time to the judgment of the family physician.

* * *

VIII—Medical Service to the Needy?

31—What about medical service to the needy?

Medical service systems for the relief of low income classes need to be limited strictly to those below the "comfort level" standard of incomes.

32—In what way does this apply?

Those able to pay should not share medical service of institutions designed primarily for those unable to pay.

33—Should the public assist in this regard?

Those unable to pay must of necessity have public consideration, as is the custom in this country today.

34—What about the low income or "white collar" group?

This is where the individual employer and insurance carrier can coöperate in solving a "common welfare problem."

35—Why has this not been done before?

Like all other emergency expenses, we all have not seen the wisdom of planning for what is called a "rainy day."

36—Should this be a matter of compulsion?

This is the problem for consideration. Its solution **rests with the people,** not the medical profession. The doctors can be relied upon for sound advice and counsel in this matter.

* * *

IX—Organizing Plans For Prepaid Medical Service

37—Is it a simple task to organize prepaid medical care plans?

It is not an easy, simple task to organize prepayment plans for medical care that

(1) will be **actuarially sound,**

(2) will not divert an inordinate amount of the income to **administration,**

(3) **will gain and hold the confidence** of the American public,

(4) secure the **wholehearted coöperation of all physicians,** and thereby permit a wide freedom of choice,

(5) contain within itself the necessary professional machinery which will assure all patients that **high standards of medical service** will be maintained.

* * *

X—Various Plans

37—Is this the reason for the many different prepayment plans?

The very fact that there are numerous different prepayment plans for medical service in the United States is a glowing tribute to the individual initiative of the American public.

39—What else does this indicate?

That the various people from the various diversified sections of the country **desire and want to preserve** local control and local administration of home affairs.

* * *

XI—Government Supervision

40—Can this become a state or federal function?

Medical service, like any other professional or business function, can become the province of a state or federal unit.

41—Is this what the American Public wants?

This is the question now confronting the thousands of existing and future patients in need of medical care in this country, who perhaps should be made aware of the threat to our American system of medical practice.

* * *

XII—Who Will Decide?

42—What is the answer?

The answer rests solely and only with the desires and wishes of patients themselves, and not with the family physician.

43—Why is this true?

Because the family physician cannot legislate—he is only the servant of his patients. He can only advise.

44—What will the physician do in this matter?

He will abide by the wishes and desires of the patient, who must choose what type of medical service distribution is wanted in this country.

45—What is the basis of this contention?

The family physician, through training, obligation to his patients, and attention to the arduous task of rendering adequate medical service to the sick is too busy to undertake the task of deciding what type of medical service distribution the American public wants.

46—Does he know what medical service is wanted?

Yes, he is overly conscious of the fact that all patients desire and hope for the best medical service possible.

* * *

XIII—Which System Is The Best?

47—Is Medical Service under government supervision the best?

This is what the American public has to decide—not the family physician—because he has no control over the matter. This is an important point, that perhaps should not be forgotten.

48—Which would be the best for the doctor?

Statistics show that the family physician, by and large, takes less interest in legislative matters than any other professional man. His aim is to serve humanity according to the medical facilities placed in his hands for service.

49—Why is this?

Because the very nature of his professional calling requires an approach, understanding, and consideration of people, not found in any other profession; **people when sick require a highly specialized method of approach.**

50—Is the practice of medicine a public matter?

Ask any patient or doctor and it will soon be learned that the practice of medicine needs to be one of the most confidential matters between the one being treated and the physician of the patient's own choice.

51—Is this the way the public wants it?

This is a matter for the American public to decide.

* * *

XIV—Governmental Control

52—Can governmental agencies carry on this function successfully?

No one really knows at the present time. There are many advocates of the present system and some favor the government entering this important phase of American existence.

53—What about the government system in other countries?

Nearly every foreign country has one system or another of governmentally supervised medical service.

54—Are they successful?

This depends upon

(1) what is considered "successful,"

(2) from what source the information is obtained,

(3) what constitutes adequate medical service.

The sickness, premature death and baby death rates in other countries are, however, quite different from the **prevailing low rates** in this country.

55—Are there many advocates of this system?

From an economic standpoint, all Americans are by nature endowed with an innate desire to have any agency, no matter what its origin, assure adequate medical service on a prepayment plan basis, whether sponsored by voluntary or official agencies, providing the medical service rendered is of **high quality and administered in a kindly manner.** These latter conditions are of supreme importance.

56—The matter then appears to be very simple?

With one exception perhaps, each patient, no matter his financial status, wants the best medical care possible when sick or near the "door of death."

57—Is this basic?

We will let you, Mr. Reader, be the judge.

* * *

XV—Voluntary Prepayment Plans

58—How do voluntary prepayment plans operate?

There are many voluntary prepayment plans for medical service in this country at the present time.

59—How many kinds are there?

In general, it perhaps may be said that there are

(1) commercial,

(2) nonprofit,

(3) employer or organization subsidized plans, of prepaid medical service in this country.

60—How many people today are covered with these plans?

It has been reported that over twenty-three million people are covered with these plans.

61—Have they been used very long in this country?

The **commercial or insurance plans** have been available for years; the **nonprofit plans** are of more recent origin; and the **employer subsidized plans** have been in existence for a number of years.

62—Do they cover all types of medical service?

No two of these plans are alike:

(1) some are limited in their coverage,

(2) a few provide full coverage, and

(3) others are very selective as to benefits.

63—Why is this?

Because the actuarial experience involved in sickness coverage through the "group plan" method has not been fully worked out as yet. It is well, perhaps, to remember that prepaid plans for medical service, of necessity, need to be on a **partial basis only,** like all other protection against fire, auto collision, and floods, if the premium cost is to be kept at a low figure.

64—What is meant by "employer subsidized plans?"

Many employers are uniting with employees to solve a "mutual welfare problem" by paying: (1) part, (2) half, (3) in some cases the entire premium cost of these plans.

65—Is this a good policy?

Time will tell. So far it appears that this procedure is beneficial in solving a **mutual problem.**

* * *

Comments Concerning Illinois Plans

* * *

XVI—One Voluntary Plan (in Illinois)

66—Can one of the voluntary plans be described?

In one county in Illinois, the local medical profession has formulated a plan which for illustration will be described.

67—What is the cost of this plan?

The cost of this voluntary prepayment plan for medical services only is as follows:

$1.00 per month for a single man, or $12.00 a year

$1.25 per month for a single woman, or 15.00 a year

$3.00 per month for a man and wife and all children between 3 months and 18 years of age, or $36.00 a year. It is also of interest that these amounts are reduced by 10 per cent when paid on an annual basis, which reduces the above amounts to $10.80, $13.50 and $32.40 respectively.

68—Can anyone take out this insurance?

For actuarial reasons, it is sold on the basis of not less than ten policyholders per group. (Any one desiring to carry Accident and Health indemnity coverage, however, at a minimum of $1.00 extra per month, may obtain this plan on an individual basis.)

69—Why is this?

There is no magical way to pay for medical service coverage; the well must help pay for the sick; there is no other way to pay the bill.

* * *

XVII—Coverage (In Illinois)

70—What medical services are included in this plan?

A fee of $2.00 per call in the event of any disabling illness; (1) on the part of a single man or woman up to 65 years of age, (2) on the part of husband or wife up to 65 years of age, (3) any dependent between 3 months and 18 years,

(4) the fee is paid regardless of whether the call is made in a physician's office, in a hospital, or in a patient's home, (5) the first two calls per person are deducted which must be paid by the patient, (6) in the event of a surgical disability payment begins **with the first call.**

71—Does this mean that disabling illnesses are included?

Yes, disabling illnesses, with some few exceptions are included in the plan, after the first two visits to or by the family physician as previously stated.

72—Why are the first two calls not covered?

This no doubt can be done, but the premium cost, of necessity, would have to be raised. Therefore the first two doctor calls for the present are not included. The plan aims to provide an easy prepayment method of partially meeting the expense of **prolonged illnesses.**

73—What diseases and accidents are not covered?

Venereal diseases, mental diseases, and accidents or sicknesses covered by "workmen's compensation laws" are not covered.

74—Are physical examinations and diagnostic procedures included?

These procedures are not covered at present; they may be at a later date.

75—Are surgical operations and maternity covered in the plan?

Yes, these conditions are covered, and although the maternity fee is only $30.00 for the present, this may be raised at a later date.

76—What about the total amount of insurance paid?

(1) The total amount paid for any one illness for a single person or any one member of a family is up to $250 in any one year, (2) the total for all children is up to $500 in any one year, (3) the total for husband and wife is up to $500 in any one year, (4) in lieu of the $2.00 per call, the patient may elect to take a flat surgical fee as enumerated in the plan.

77—To whom is this money paid?

To the patient, which aids materially in meeting prolonged emergency medical costs. The patient pays the doctor. It is not intended that this plan shall cover the entire bill of the doctor.

78—Does the plan cover hospital expenses?

Not in Winnebago County, because this is covered by a "Blue Cross" **prepaid hospitalization plan.**

* * *

XVIII—Combined Medical Service and Hospitalization Cost (In Illinois)

79—In simple terms, then, what is the total medical and hospitalization cost?

(1) For a single man $1.00 plus hospitalization at 65c, or $1.65 times 12 months equals $19.80 per year, (2) for a single woman $1.25 plus hospitalization at 65c, or $1.90 times 12 months equals $22.80 per year, (3) for a husband, wife and children $3.00 plus hospitalization at $1.30, or $4.30 times 12 months equals $51.60 per year per family. See previous statement on the 10 per cent reduction when the medical care phase of this plan is paid annually, which reduces the above amounts to $18.60, $21.30 and $47.00 respectively.

80—Are the two plans described sold together?

No, the two plans are sold separately because they are handled by two different organizations. At a later date the Northern Illinois "Blue Cross" hospitalization organization may sell both these plans **on a group basis.** This, however, requires a change in the present state law (of Illinois), which no doubt will be done this year.

81—Are these premiums excessive?

Under the contemplated government compulsory plan, the premium is to be 3 per cent on all incomes up to $3,000; which, if a person earns $2.000, would equal $60.00 per year, so it can be seen that the plans described are much less as far as costs are concerned.

82—How can employers assist in this program?

In some communities, businessmen and industrialists have deemed it advisable to coöperate with employees by partially subsidizing the premium cost of this **mutual welfare problem.**

* * *

XIX—In Retrospect

83—1. An attempt has been made to evaluate prepaid medical service planning in the United States.

2. Due consideration has been given to the voluntary and compulsory saving aspects of this all-absorbing means of meeting emergency medical care expense.

3. That planning can assume either of these two courses is self-evident from data presented.

4. One plan recently inaugurated in Winnbago County, Illinois, covering both surgical and medical service, together with detail costs is presented outlining a more economical voluntary plan, which includes private insurance policies, and which permits anyone to choose his own physician.

5. This plan appears to be more satisfactory than the anticipated government plan, in which 3 per cent of all incomes up to $3,000 per year will be imposed and set aside to meet unanticipated surgical and sickness emergencies.

6. Many people prefer to have their own choice of physician.

7. Which of these two systems is the most desirable is left to the judgment of the reader.

City Hall Building.

"Of Mice, and Men and Women"

(Continued from Page 54)

SUMMARY

Our purpose has been to collate from diverse sources the positive findings regarding the association of estrogenic activity with the development of cancer of the female genital system. It would be a distortion of facts not to say that the positive findings cited represent a minor part of the incidence of the cancers discussed. Quantitative results as in animals cannot be expected in incidental human observations. However, the above cited data should be sufficient to overthrow complacency toward the evidence of animal experimentation with estrogens. It is hoped that these clues to the sequence and causality in the development of cancer in the female genital system will lead to more detailed clinical studies, and ultimately to a basic and better control of the malignant tumors of the breast and uterus.*

Isabella H. Perry,
San Francisco.

* Bibliography furnished on request. (U. C. Med. School.)

CALIFORNIA MEDICAL ASSOCIATION

This department contains official notices, reports of county society proceedings and other information having to do with the State Association and its component county societies. The copy for the department is submitted by the State Association Secretary, to whom communications for this department should be sent. Rosters of State Association officers and committees and of component county societies and affiliated organizations, are printed in the front advertising section on pages 2, 4 and 6.

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OFFICIAL NOTICES

EXECUTIVE COMMITTEE OF THE CALIFORNIA MEDICAL ASSOCIATION*

Minutes of the One Hundred Eighty-ninth (189th) Meeting of the Executive Committee of the California Medical Association

A meeting of members of the Executive Committee of the California Medical Association was held in the C.M.A. offices, 450 Sutter Building, San Francisco, on Sunday, January 21, 1945.

1. **Roll Call:**

Present: Drs. John W. Cline, Chairman; Lowell S. Goin, President; E. Vincent Askey, Speaker; Philip K. Gilman, Council Chairman; and George H. Kress, Secretary-Treasurer.

Present by Invitation: Dwight H. Murray, Chairman, Committee on Public Policy and Legislation; Councilor Lloyd E. Kindall; Executive Secretary John Hunton; Hartley F. Peart and Howard Hassard, Legal Counsels; Dr. T. Henshaw Kelly; Dr. A. E. Larsen; Mr. Ben Read; Mr. W. Glenn Ebersole and Mr. William Losh.

2. **Purpose of Meeting:**

Chairman Cline stated that the meeting had been called at the request of the Chairman of the Committee on Public Policy and Legislation, Dr. Dwight H. Murray, to consider the status of proposed health insurance bills that might be presented to the Fifty-sixth (56th) session of the Legislature, now in session in Sacramento.

From the best information obtainable, it was stated that four or more bills would probably be submitted, as follows: The Health Insurance Bill by the C.I.O. (Committee of Industrial Organization); a bill by Governor Earl Warren; several bills by Farm Bureau groups; a possible bill that had been drafted by the California Medical Association.

General discussion followed concerning the outlook on possible legislative acceptance of one or a composite of these various measures. Inclusions in the various bills, as regards medical practice, financial support, administrative procedures and related matters received discussion.

3. **Report from Chairman of the C.M.A. Committee on Legislation:**

Dr. Dwight Murray of Napa, chairman of the C.M.A. Committee on Public Policy and Legislation, submitted a report outlining his committee's reaction to the various measures that had been proposed.

The importance of proper education of members of the medical profession and of the public was stressed. General discussion followed on the suggestions submitted.

4. **Request of Dr. Rodney Yoell to Appear Before the Committee:**

Dr. Rodney Yoell of San Francisco, having requested opportunity to address the Committee, it was voted to extend this invitation. Dr. Yoell discussed briefly the background of several health insurance bills and spoke somewhat of conferences he had had with representa-

* Reports referred to in minutes are on file in the headquarters office of the Association. Minutes as here printed have been abstracted.

tives of Labor and with one of the major political parties. Dr. Yoell stated he was in favor of free choice of physician; of fees based upon service; and the right of private physicians and organizations to conduct health insurance under proper standards, utilizing the insurance principle, but maintaining individual initiative and the right of reward in proportion to merit. He stated he was anxious to coöperate with the California Medical Association in attaining these ends.

Full coverage, deductible for first visit, insurance and capitation system were referred to. Dr. Yoell also referred to his own experiences with the American President Steampship Lines, and felt that Labor was somewhat insistent that the working man would be willing to pay reasonable fees for professional services rendered, but did not wish to pay extra charges. He felt that State and local control were preferable to Federal control.

5. **Comment on Various Health Insurance Bills:**

General discussion followed, which was participated in by members present, with special reference on who would sponsor certain bills, the extent of support by various groups, and so on.

The importance of a proper educational campaign was stressed, and ways and means whereby these ends could be best attained were referred to by several speakers.

Concerning publicity, it was felt that in addition to general advisory assistance from the firm of Foote, Cone and Belding which had made the California Survey in November, 1944, (Interpretative Report of same was printed in CALIFORNIA AND WESTERN MEDICINE for May, 1944, on page 241), it was desirable to employ a technical group of publicity experts to carry out the details of the educational campaign.

It was agreed that a special committee, consisting of the Chairman of the Committee on Public Policy and Legislation, Dr. Dwight H. Murray and Executive Secretary John Hunton, with advice from the C.M.A. Executive Committee, should carry on the general supervision concerning publicity and public relations. Executive Secretary Hunton to be the liaison representative in this work.

6. **1945 Annual Session:**

Chairman of the Committee on Scientific Work, Dr. Kress, called attention to the complications which had arisen in regard to an annual session meeting, with special reference to transportation and hotel accommodations. It was agreed to authorize the Committee on Scientific Work to permit papers to be read by title; that is, papers could be presented by C.M.A. members from counties other than Los Angeles, but it would not be necessary for them to be present in person to read the papers. Such papers could be read by title only, with right for possible publication in CALIFORNIA AND WESTERN MEDICINE, or if desired, could be read in Section meetings for the authors by delegated members of the Los Angeles County Medical Association.

7. **Employment of Public Relations Counsel:**

On motion made and seconded, the Executive Committee voted to employ a public relations counsel to represent the Association on matters of health insurance legislation.

8. **Proposed California Medical Association Bill:**

"An act to establish a system of social insurance, consisting of unemployment insurance and sickness insurance, and to establish a system of employment officers for this state and make an appropriation therefor, and to establish a system encouraging the people of this state to become enrolled in non-profit medical, surgical or hospital prepayment plans," to be presented to the Legislature on behalf of the California Medical Association, was then discussed in detail by Legal Counsels Peart and Hassard. Changes were suggested for several sections and the same were incorporated.

It was agreed that the proposed C.M.A. Act as amended should be submitted to the Legislature at such time and under such sponsorship as might be deemed most desirable. (Note: This bill was later submitted to the California Legislature as Assembly Bill 1200. In current issue of CALIFORNIA AND WESTERN MEDICINE, see page 65 (for text of bill), and page 91 (for analysis).

9. **Surcharge on California Industrial and Compensation Cases:**

Legal Counsel Peart reported concerning the 15 per cent surcharge that had been authorized by the California Industrial Accident Commission, and spoke at some length concerning future plans on ways and means of best obtaining these objectives.

10. **Sacramento Conference Concerning Sickness Insurance Legislation:**

After discussion, it was voted that a conference be held in Sacramento on Thursday, January 25, as per instructions in the resolutions adopted by the House of Delegates at its special session on January 6, 1945.

It was agreed that President Goin should preside at the meeting. The persons who were to be invited and the general program was also outlined in skeleton form. Association Secretary Kress was authorized to make the necessary arrangements for a dinner meeting to be held at the Sutter Club in Sacramento on Thursday evening, January 25.

11. **Advisory Group to C.M.A. Committee on Public Policy and Legislation:**

The attention of the Executive Committee was called to a suggestion that the Advisory Committee to the C.M.A. Committee on Public Policy and Legislation be enlarged. (Section 4 of Chapter 5 of the By-Laws provides for advisory groups consisting of from two to ten members.) The Chairman of the Committee stated that Dr. Wilson Stegeman of Santa Rosa, a member of the Sonoma County Medical Society, would be added to the Advisory group, and that consideration of additional members would be taken up later.

12. **Public Relations Program:**

Report was made that Mr. W. Glenn Ebersole had completed his tour of county medical societies. It was agreed that the Chairman of the Executive Committee should notify Mr. Ebersole that his services would be used in the present legislative campaign, at the close of which the next annual session will be held, and future plans outlined.

13. **Adjournment:**

There being no other business, upon motion made and seconded, it was voted to adjourn.

JOHN W. CLINE, M.D., *Chairman*,
GEORGE H. KRESS, M.D., *Secretary*.

OFFICIAL NOTICES

PROPOSED AMENDMENT TO CONSTITUTION

(Presented at Los Angeles by Lowell S. Goin. For reference, see CALIFORNIA AND WESTERN MEDICINE, for June, 1944, page 297.)

Re: Past President

Resolved, **That the Constitution and By-Laws of the California Medical Association be amended as follows:**

In Section 1 of Article VII delete the words "Past-President";

In Section 8 of Article VII delete the words "Past-President";

In Section 1 of Article X delete the words "Past-President";

In Section 2 of Article X delete the second paragraph reading as follows:

"At the expiration of his term of office the president shall become the past president and serve as such for a term of one year thereafter, or until his successor assumes office."

In Section 4, Article X delete the words "Past President":

* * *

PROPOSED AMENDMENT TO CONSTITUTION CONCERNING RETIRED MEMBERS

(Presented at Los Angeles meeting of the House of Delegates by C.M.A. Council. For reference, see CALIFORNIA AND WESTERN MEDICINE, for June, 1943, on page 349.)

Amend Article IV, Section 1(c) of the Constitution of California Medical Association:

The Section 1(c) of Article IV of the Constitution of the California Medical Association is hereby amended by adding, immediately after the first paragraph contained in said section 1(c), a full new paragraph:

If an application for retired membership is submitted by a competent medical society within the calendar year immediately succeeding the last calendar year in which the recommended applicant was an active member in good standing, the Council shall have authority to act on such application as though it had been submitted in the preceding calendar year during which active membership existed.

So that the said Section 1(c) of Article IV will therefore read:

(c) Retired Members:

Qualifications.—Retired members of the California Medical Association shall be elected by the Council on the recommendation of any component county society from those active members thereof who cease the practice of medicine for reasons satisfactory to such component county society and the Council, and who shall have been active members of the Association for ten years or more prior thereto.

Then follows the portion before read, the provision being made therein, Mr. Speaker, to make it possible for the Council to act upon these applications. Many of these applications are submitted in January and February of a succeeding year. Under the present By-Law, applications can be considered only when the applicant has active membership. In any calendar year, if dues are not paid on or before April 1st, active membership then ceases as of date of April 1st.

* * *

PROCEDURE CONCERNING AMENDMENTS TO C.M.A. CONSTITUTION

ARTICLE XV.—AMENDMENTS

Section 1.—Procedure to Amend Constitution

Any member of the House of Delegates at any meeting of any regular annual session thereof may present an amendment or amendments to any article or articles or any section or sections of any article or articles of this Constitution.

Such proposed amendment or amendments shall be in writing and shall be filed with the Secretary and shall thereafter be published at least twice in separate issues of the official journal of this Association prior to the next regular session of the House of Delegates.

At the said next regular session of the House of Delegates, such proposed amendment or amendments shall be submitted to the House of Delegates, for consideration at any meeting of the House of Delegates during that annual session, and if two thirds of the Delegates present and voting vote in favor thereof, the same shall be adopted.

Letter to C.M.A. Members Concerning Health Insurance Bills Pending in Legislature

(COPY)

CALIFORNIA MEDICAL ASSOCIATION
Four Fifty Sutter, San Francisco (8)

January 30, 1945.

To the Members of the
California Medical Association:

Dear Doctors:

Health insurance legislation has become the Number One item in the California Legislature this year. Public interest in it has been whetted and you will no doubt be asked by many of your friends in regard to it. Your Legislators are now at home for the legislative recess and will be seeking your opinion on this important question.

To clarify the position of the California Medical Association, as determined at the House of Delegates meeting early in January, the following summary should be kept in mind:

1. The C.M.A. has voted that it cannot endorse any system of compulsory health insurance which has been presented to it to date.

2. The C.M.A. has suggested that aid and encouragement be given to voluntary health care plans.

3. The C.M.A. has taken the lead in bringing together the representatives of government, industry, labor, agriculture, dentistry, hospitals and allied groups in an effort to arrive at a "complete and comprehensive solution to the entire problem of health care in California." Any matter of such great importance to all the people—calling for 3 per cent in *new* payroll taxes—calls for the most mature deliberation, particularly in these war times.

Under these conditions, it should be borne in mind that the C.M.A. is definitely opposed to Assembly Bill 449 (introduced by the C.I.O.) and Assembly Bill 800 (introduced for Governor Warren) but is solidly in favor of Assembly Bill 1200, the C.M.A. bill *to encourage the voluntary system of health care.*

As soon as these bills can be adequately analyzed, you will be given full information on them. Meanwhile, this information may be of help to you in meeting your friends. Now, of all times, the medical profession must present a united front in the interests of the public health and its own future.

Fraternally yours,

(Signed) DWIGHT H. MURRAY, M.D., *Chairman,*
C.M.A. Committee on Public Policy and Legislation.

INDEX OF SICKNESS INSURANCE ITEMS

Pages 68 to 89

(The index of "Chapter I" of Sickness Insurance items, appeared in CALIFORNIA AND WESTERN MEDICINE, for January, on page 40. What follows, is Chapter II.)

CHAPTER II

Proposed Sickness Insurance Act, Submitted by the California Medical Association to 56th California Legislature, January 25, 1945

ASSEMBLY BILL **No. 1200**

INTRODUCED BY MESSRS. SAM L. COLLINS, FULLERTON; C. DON FIELD, GLENDALE; THOMAS HAROLD WERDELL, BAKERSFIELD; T. FENTON KNIGHT, LA CANADA; CHARLES W. STREAM, CHULA VISTA; THOMAS M. ERWIN, PUENTE; CLYDE A. WATSON, ORANGE; AND ALBERT I. STEWART, PASADENA.

January 25, 1945

REFERRED TO COMMITTEE ON PUBLIC HEALTH

An act to amend the title and Section 3 of, and to add Articles 11 to 14, inclusive, comprising Sections 151 to 209, inclusive, to the Unemployment Insurance Act, relating to a system of social sickness insurance, both within and as a supplement to the system of unemployment insurance, and relating to a system of encouragement of non-profit medical, surgical or hospital periodical payment plans.

The people of the State of California do enact as follows:

SECTION 1. The title of the act cited in the title hereof is hereby amended to read as follows: "An act to establish a system of social insurance, consisting of unemployment insurance and sickness insurance, and to establish a system of employment officers for this state and make an appropriation therefor, and to establish a system encouraging the people of this state to become enrolled in non-profit medical, surgical or hospital prepayment plans", approved June 25, 1935, as amended.

SECTION 2. Section 3 of the act cited in the title hereof is hereby amended to read as follows:

SEC. 3. This act shall be known and may be cited as the *Unemployment Social* Insurance Act.

SECTION 3. Articles 11 to 14, inclusive, comprising Sections 151 to 209, inclusive, are hereby added to the act cited in the title hereof, to read as follows:

Article 11. Public Policy Relating to Sickness.

SEC. 151. The provisions of Articles 11 to 14, inclusive, of this act establish and provide for a plan of sickness insurance integrated with the system of unemployment insurance, together with a plan for state aid and encouragement to those of its citizens who enroll in approved non-profit medical, surgical or hospital prepayment plans.

SEC. 152. As a guide to the interpretation and application of Articles 11 to 14, inclusive, of this act, the public policy of this state with respect to the distribution of the costs of medical care and the practice of medicine and surgery is declared as follows:

With respect to those people in the State of California whose incomes are not sufficiently high to meet without undue hardship the costs of serious illness or injury, and whose incomes are not sufficiently low to qualify for public aid and assistance in county hospitals and private charitable clinics, there is a definite problem with respect to the payment of the costs of medical care. As to these people, the problem is how to distribute such costs so that an undue burden does not fall on a few unfortunate individuals, and yet at the same time preserve those forces in the field of medicine and surgery that have resulted in the quality of medical care in this state being as high or higher than anywhere in the world. Those forces cannot be preserved and fostered by any state action regimenting and stifling the competitive spirit or an individual's desire to do a better job. State control over the practice of medicine inevitably injures the competitive spirit and thwarts the initiative of individual physicians, and thus in the long run is injurious to the public health and welfare. Particularly, at the present time, state control would be a catastrophe to the health and welfare of the people of this state, because with available physicians and surgeons reduced by one-third, due to war conditions, the unavoidable disruptions during a period of change to a new and unfamiliar system of practice, coupled with the increased demand for professional services for minor ailments which experience proves is inevitable, would necessarily cause a complete break-down of medical care in California. The chaos caused by such a breakdown would expose the people of this state to the risk of epidemics, increased deaths, and in general all of the terrible consequences of an absence of a sufficient number of physicians to care for greatly expanded demands of the population.

While it is thus apparent that the problem of distributing the costs of medical care cannot be solved by a complete system of state control over medical services,

it does not follow that the state is helpless to aid and assist those of its citizens who face undue hardships through the burdensome costs of serious and prolonged illness or injury. Such state aid and assistance may take several forms: it may include payment of cash benefits to wage earners to assist in the payment of hospitalization costs incurred while ill or injured through non-industrial causes; it may take the form of a credit against the tax imposed by Section 44 of this act, for those employees in this state who have made due provision for the costs of medical care by enrolling in approved non-profit medical, surgical or hospital prepayment plans; it may take the form of an authorization to employers to withhold from the pay of non-objecting employees sufficient sums to defray the monthly dues or subscription charges of approved non-profit medical, surgical or hospital prepayment plans. All of these approaches to the problems aid in mass distribution of medical costs and yet do not interfere with good medical practice. Neither do they add further tax burdens on the people or impossible physical burdens on already overworked physicians during time of war. Further, they give real assistance to the many voluntary prepayment plans which are now serving the health needs of hundreds of thousands of people in this state. With these encouragements and benefits from the state, it is within the means of all wage earners to budget, through small monthly payments, the major costs of illness or injury to themselves or their families.

It is the purpose of the following articles to adopt all of the foregoing measures, to the end that the people of this state may be both encouraged and assisted to make due provision for payment of the costs of medical care and hospitalization on a periodic budgeted basis. The following articles shall be liberally construed to effect their purposes.

Article 12. Approved Non-Profit Medical, Surgical or Hospital Prepayment Plans.

SEC. 160. The term "approved non-profit medical, surgical or hospital prepayment plans" means each and all of the following:

(a) Any non-profit corporation holding a certificate issued by the State Board of Medical Examiners, the State Board of Osteopathic Examiners, or the State Board of Dental Examiners, under Subdivision (4) of Section 593a of the Civil Code.

(b) Any non-profit corporation holding a certificate of authority issued by the Insurance Commissioner under Chapter 11A of Part 2, Division 2 of the Insurance Code.

(c) Any insurance company holding a certificate of authority from the Insurance Commissioner authorizing it to transact a disability insurance business in this state.

SEC. 161. The term "approved hospital prepayment plan" means any corporation qualifying under subdivisions (b) or (c) of Sec. 160.

SEC. 162. The term "approved medical and hospital prepayment plan" means any corporation qualifying under subdivision (a) of Sec. 160, provided that it actually defrays hospital as well as medical or surgical costs as an integral part of its operations.

SEC. 163. The term "approved medical prepayment plan" means any corporation qualifying under subdivision (a) of Sec. 160 as to contracts issued which do not include defrayment of hospital costs.

SEC. 164. With respect to all workers enrolled in and entitled to the benefits of any approved non-profit medical, surgical or hospital prepayment plan, the contributions required by Section 44 of this act shall be adjusted as follows:

(a) The contribution to the fund of each worker who is enrolled in an approved hospital prepayment plan shall be 17/20ths of 1 per cent of his wages paid by an employer with respect to employment, except that the rate of contributions required of any such worker shall not in any year exceed 50 per cent of the general rate required of employers.

(b) The contribution to the fund of each worker who is enrolled in an approved medical and hospital plan shall be 10/20ths of 1 per cent of his wages paid by an employer with respect to employment, except that the rate of contributions required of any such worker shall not in any year exceed 50 per cent of the general rate required of employers.

(c) The contribution to the fund of each worker who is enrolled in an approved medical prepayment plan shall be 13/20ths of 1 per cent of his wages paid by an employer with respect to employment; except that the rate of contributions required of any such worker shall not in any year exceed 50 per cent of the general rate required of employers.

SEC. 165. No worker shall be entitled to the reduced contributions provided in Sec. 164 of this article if enrolled in or a policy holder of any insurance company qualifying under Sec. 160(c) of this article, unless the contract or policy issued to such worker complies with Section 10176 of the Insurance Code and contains the provision required for hospital service contracts set forth in Subdivision (h) of Section 11512 of the Insurance Code. If the commission determines that any contract of policy by an insurance company does not comply with the requirements of this section, the contributions of each worker to whom any such contract or policy has been issued shall immediately be restored to the rate set forth in Section 44 of this act.

SEC. 166. For the purpose of determining the rate of contribution by a worker under this article, the commission shall examine the membership certificate, subscription agreements, policies or other contracts issued by all approved non-profit medical, surgical or hospital prepayment plans, and shall classify each of such contracts under the rate imposed by Sec. 164(a) or the rate imposed by Sec. 164(b) or the rate imposed by Sec. 164(c). In making such classification the commission shall be governed by the provisions of Secs. 160, 161 and 162 of this article. Each such approved non-profit medical, surgical or hospital prepayment plan shall, upon request of the commission, promptly submit to it specimens of all certificates, agreements, policies or contracts currently being issued.

SEC. 167. Each worker who is enrolled in an approved nonprofit medical, surgical or hospital prepayment plan shall so notify his employer, in duplicate, on a form prescribed by the commission, indicating thereon the rate of contribution under this act applicable to him. The employer shall retain one copy of such form and forward the other copy to the commission with the next succeeding payment of contributions to the commission under the provisions of this act. After receipt of such notification the employer shall thereafter withhold from such worker's wages the applicable amount as provided in this article, and shall continue to withhold such amounts as long as the worker remains enrolled in any such approved non-profit medical, surgical or hospital prepayment plan. With respect to any worker who ceases to be enrolled in any such plan his employer shall, immediately upon such termination, restore the wage deductions provided in Section 44 of this act.

SEC. 168. The commission may make and enforce such regulations as are necessary to carry out the provisions of this article. The commission may prescribe such forms and the manner and time of filing same with it, as in its judgment are necessary to administer the provisions of this article.

SEC. 169. This article and the rates of contributions by workers herein provided shall not become effective until January 1, 1946.

Article 13. Group Contracts for Benefit of Sick or Injured Employees.

SEC. 180. It shall be lawful for any employer to enter into a written contract with any approved non-profit medical, surgical or hospital prepayment plan for the purpose of furnishing to the employees of such employer, or to the employees and family dependents of such employer, medical or surgical services or hospital care contingent upon sickness or injury, and to collect or retain a portion of the wages of the employees for such purposes and to pay the same over to the approved non-profit medical, surgical or hospital prepayment plan.

SEC. 181. Any employee may reject the coverage of such contract at the time the contract is entered into or at the time of his employment, if entering employment after the date of such contract, by giving written notice to the employer of his desire so to do, or, having been under such a contract, by giving such notice thirty days in advance of its anniversary date. It shall be unlawful for any employer to retain any portion of the wages of any employee who has filed such notice of rejection, and neither such employee nor his family dependents shall be entitled to any of the benefits of such contract.

SEC. 182. No contract entered into pursuant to the provisions of this article shall be valid or effective between the employer and a non-profit medical, surgical or hospital prepayment plan for a period of more than two years; provided that any such contract may be renewed upon its expiration. It shall be unlawful for any employer, except as in this act provided, to collect or retain any part of the wages of any employee for medical, surgical or hospital care and attention, or to use or expend any part of the wages of any employee for medical, surgical or hospital care and attention, or to use or expend any part of the wages so collected or retained for such purposes.

SEC. 183. No deduction in excess of 25c per day shall be retained from the wages of any employee who works three days or less. Any employee who has contributed under a contract with an approved non-profit medical, surgical or hospital care plan for a full month, or any part thereof, and who leaves the employment in which

he was engaged at the time such contributions from wages were made, shall be entitled to a receipt from the employer showing the period and the purpose for which each contribution was made, and such employee shall be entitled to the protection and benefits of the contract under which said contribution was paid to the end of the period for which the employee's payment applied. In the event such employee shall enter the employ of another employer during the period for which such contribution was made and retained from his wages, and shall file the said receipt with such employer, no further deduction from his wages shall be made for the period stated in said receipt. Except as hereinabove provided, the sums to be collected and retained by the employer and paid over to an approved non-profit medical, surgical or hospital prepayment plan under the provisions of this article, shall be such as are fixed in the contract.

SEC. 184. The contracts of any approved non-profit medical, surgical or hospital prepayment plan shall not be deemed to apply to sicknesses or injuries for which compensation is payable under Division 4 of the Labor Code, or for which compensation or indemnification is payable under any state workmen's compensation or federal employer's liability act, and nothing contained in this article shall supersede or in any manner impair the benefits of any medical, surgical or hospital care to which an employee is or would be entitled under any of said workmen's compensation laws.

SEC. 185. Every contract entered into under the provisions of this article shall state in clear and well-defined terms the services and care to be provided and each such contract shall at all times be open to inspection by any employee for whose benefit it is made. It shall be the duty of the employer to post, and keep posted in conspicuous places about his plant, notices stating that such a contract has been entered into for the benefit of the employees, and is on file in the office of the employer.

SEC. 186. It shall be unlawful for any employer to retain, directly or indirectly, any part of the money collected or retain pursuant to the provisions of this article for his own use or benefit, but all sums collected by each employer, prior to delivery to the approved non-profit medical, surgical or hospital prepayment plan, shall be deemed trust funds and shall be placed and kept in separate accounts by each employer. Such funds shall in no event become a part of the assets of the employer. In the event the employer shall fail to place and keep said funds in separate accounts and pay them over to such approved non-profit medical, surgical or hospital prepayment plans within the time required in the contract, or in the event said funds become commingled with the funds of the employer and the employer becomes bankrupt or insolvent or if a receiver is appointed to operate the business of such employer, the funds herein described shall be entitled to the same preference as given to claims of the state under Section 46 of this act.

SEC. 187. It shall be unlawful for any approved non-profit medical, surgical or hospital prepayment plan to pay any fee or commission to any employer, employee or any third person, except duly appointed employees or agents of any such approved non-profit medical, surgical or hospital prepayment plan, for soliciting or securing contracts of the character described in this article; and it shall be unlawful for any employer, employee or any other person, except duly appointed employees or agents of approved non-profit medical, surgical or hospital prepayment plans, to accept, directly or indirectly, any fee or commission from any such approved non-profit medical, surgical or hospital prepayment plan, for soliciting or securing contracts of the character described in this article; and it shall be unlawful for any employer, employee or any other third person, except duly appointed employees or agents of approved non-profit medical, surgical or hospital prepayment plans, to accept, directly or indirectly, any fee or commission from any such approved non-profit medical, surgical or hospital prepayment plans or any other person for soliciting or securing any such contract.

SEC. 188. Each employer shall keep a true and accurate record of the number of employees to which any such contract applies, the amount of moneys collected or retained each month thereunder, and such other information as the commission may by regulation prescribe, and each employer shall, on such forms as the commission may prescribe, report to the commission at the same time that contributions required under this act are forwarded to the commission, the amount of money collected or retained from employees and the amounts paid over to an approved non-profit medical, surgical or hospital prepayment plan during the calendar quarter for which payment of contributions is being made.

SEC. 189. The contracts, books and records of all approved non-profit medical, surgical or hospital prepayment plans relating to contracts with employers under this article shall be open at all reasonable times to inspection by the commission or its agents.

Article 14. Sickness Benefits.

SEC. 200. "Sickness benefits" means money payments payable to an individual with respect to disability when accompanied by confinement in a hospital for an illness or injury for which such individual is not entitled to compensation under Division 4 of the Labor Code, and is not entitled to compensation or indemnity under any workmen's compensation or employer's liability law of any other state or of the federal government.

SEC. 201. An individual shall be eligible for sickness benefits if

(a) he is ill or injured and is confined in any approved hospital in this state, and

(b) such illness or injury did not arise out of and in the course of his employment, and

(c) his hospitalization costs are not defrayed in whole or in part by any approved non-profit medical, surgical or hospital prepayment plan, and

(d) he has notified the commission of his illness or injury and has made a claim for sickness benefits as required by the regulations, and

(e) he would have been entitled to unemployment benefits under Article 5 of this act if he had become unemployed at the time of his hospitalization, and

(f) he is under the care of a physician and surgeon licensed to practice medicine and surgery in this state, and

(g) he has been continuously hospitalized for a waiting period of four days.

SEC. 202. The maximum total amount of sickness benefits payable to an individual in any one benefit year shall be an amount equal to the maximum total amount of unemployment compensation benefits which would be payable to the individual with respect to such benefit year under the provisions of Article 5 of this act.

SEC. 203. The rate of sickness benefits shall be computed in the same manner and in the same amounts as is provided in Article 5 of this act for unemployment compensation benefits. If an individual is hospitalized for a fraction of a week, one-seventh of the applicable "weekly benefit amount" shall be paid for each day of hospital confinement.

SEC. 204. All sickness benefits shall be payable directly to the individual entitled to the same. The commission may, in its direction, require individuals to produce evidence of application of sickness benefits towards the payment of incurred hospitalization costs, but under no circumstances shall any sickness benefit payments be made direct to any hospital, nor shall the payment of sickness benefits be in any manner conditioned upon the doing of any act by any hospital other than certification of confinement.

SEC. 205. An eligible individual is entitled to both disability unemployment benefits and sickness benefits in the same benefit year. The payment of one does not exhaust his right to the other. Payment of sickness benefits shall immediately cease upon discharge of the individual from the hospital.

SEC. 206. A claimant shall give notice of his illness or injury and confinement in a hospital to the commission, and shall be certified and recertified by such hospital with respect thereto within the time and in accordance with the manner and form prescribed by the regulations of the commission.

SEC. 207. The provisions of Article 6 of this act and the rules and regulations thereunder shall apply to filing and making claims for sickness benefits and the determination and review thereof.

SEC. 208. Sickness benefits shall be paid through public employment offices or such other agency as the commission may by rule approve, in accordance with such regulation as the commission may prescribe.

SEC. 209. All the rights, privileges or immunities proffered by this article or by acts done pursuant thereto shall exist subject to the power of the legislature to amend or repeal this article at any time.

Analyses of C.M.A. and Other Sickness Insurance Bills

For analyses of Sickness Insurance Bills, see in this issue, under Item Sixty (LX), on pages 89-92.

CHAPTER II
COMPULSORY HEALTH INSURANCE BILLS PENDING IN 1945 CALIFORNIA LEGISLATURE (56TH SESSION)

ITEM I

Governor Warren Drafts State Health Insurance Plan

Sacramento, Dec. 29—(AP.)—Expressing the opinion that at present only the wealthy and extremely poor are receiving adequate medical attention, Governor Warren, on December 29, proposed that California pioneer a compulsory health insurance program to provide care for those of moderate income.

Frankly anticipating opposition to the plan when he presents it to the legislature next month, the Governor said he expects "a lot of people will be startled, but there is a great need for it and we shouldn't let fear keep us from trying to inaugurate it."

* * *

If California adopts compulsory health insurance it will be the first state in the union to do so, Warren said.

People, the Governor told his press conference, were startled when the workmen's compensation insurance, old age pension and unemployment insurance laws were enacted.

"But most people now realize these laws not only are humane but essential to both employees and industry, and no thinking person would want to abandon them," he declared.

* * *

"While all details have not been worked out for the program which the Governor claimed would "raise California health standards to a degree which would make us the happiest and most prosperous we have ever been," he outlined the plan generally as follows:

Financing—Both worker and employer would be subject equally to a payroll tax, possibly 1½ per cent, which would go into a State fund to finance doctor, hospital and certain types of dental bills for all contributing workers and members of their families.

* * *

Payments—a State agency, representative of workers, employers and doctors, would set up standards, determine eligibility and fix fees. A patient would have a free choice in selecting his doctor and doctors could refuse patients. If the doctor entered the system he could not accept an additional fee from a patient covered by the plan.

The Governor emphasized he is opposed to "State medicine" which he said is a plan where doctors are put on the public payroll and patients are assigned.—San Diego *Union*, December 30.

ITEM II

Hit 'n' Miss

Medical Security

Voluntary medical insurance through coöperative groups may head off the trend to compulsory nation-wide insurance—but by one means or another, the U. S. is going to have medical security, *Fortune* magazine forecasts in the current issue.

"The best medical care is bought by the rich and—in some large cities—obtained free by the poor," *Fortune* points out. "To get first-rate care the middle-income group must mortgage itself. According to the National Health survey of 1935-36, 90 per cent of the population of this country cannot pay for medical and hospital care adequate to its needs by the usual fee-for-service methods."

Fortune cites support for medical reform from doctors as well as from the public at large. A survey of doctors in the armed forces by the American Medical Association shows 53 per cent wanting to go into the group form of private practice; while the national Opinion Research center recently found 68 per cent of the public in favor of having the social security law cover payments for doctor and hospital care.

"Many medical authorities agree that the present structure of medicine embodies serious faults," *Fortune* continues. "There is insufficient supervision of practice; insufficient use of auxiliary personnel; insufficient consultation between general practitioners and specialists. Even in cities many physicians cannot get a hospital connection.

"Not that we know no better. As a matter of fact there is one device—group practice—that embodies remedies for almost all these deficiencies.

"For years wide public recognition has been accorded such institutions as the Mayo clinic where under a single roof, a large number of carefully supervised doctors aided by highly trained auxiliaries put at the patient's disposal a mastery of all medical techniques, based on the use of complex, varied and costly equipment. Patients pay no fee to doctors engaged in such group practice. They pay fixed charges to the clinic, which pays each doctor a salary.

"But how," *Fortune* asks, "can doctors who want to serve the mass of the population located between the poles of wealth and indigence count on enough paying patients to make group practice possible?

"In recent years there has developed an answer to this question: prepayment for medical care. There are today some 210 voluntary prepayment plans in the U. S. with a total coverage of about 20 millon people, 3,600,000 of whom get other than hospital service. Few such plans are connected with group practice now, but it is largely because of their spread and the implied potential encouragement of group practice that U. S. medical structure and economics may be said to be in transition.

"Once doctors and hospitals are available, the foundation of a reorganized medical system might be a network of voluntary plans for medical insurance.

"Medical fees could be kept at least as stable as in the past without breaking any anti-trust laws. The net take of the profession could be enormously increased through increased consumption of medical care. Certainly that half of all U. S. doctors who earn less than $3,000 annually would benefit: salaries in group practice are higher at every age level than comparable private practice average net income. And $50,000-a-year Park Avenue doctors could continue sitting at bedsides on that avenue on the old fee-for-service basis."—J. L. Burton in Woodland *Democrat*, December 30, 1944.

ITEM III

Governor Warren Drafts Health Laws

Sacramento, Cal., Dec. 30.—(UP.)—Governor Earl Warren has announced he will submit to the California legislature meeting next month a plan of compulsory health insurance financed by a payroll tax on both employers and employees.

The Governor said the insurance plan would cover both contributors and their families and would provide for payment of costs of medical and hospital care. He said he believed that expenses for purchases of drugs and perhaps for basic dental care also should be included. . . .

The plan probably can be financed by a 1½ per cent payroll tax on both employees and employers, Warren said, although he emphasized that the rate cannot yet be estimated exactly.

Outlines Views

"I am not for State medicine," Warren said, "where doctors are put on the public payrolls and care is paid for from governmental funds. I don't believe in that system . . . I do want to spread the cost of medical care by compulsory contribution of workers and industry, both of whom would be beneficiaries."

He pointed out that there have been attempts to set up health insurance plans in California for 30 years, culminating in the establishment of the California Physicians' Service in 1938, but that they had not been completely successful because they do not cover enough persons. . . .

"I'm convinced," Warren said, "that the time has arrived when we must, in order to fill our obligations, have such a system. We have talked about the matter in California for years . . . But, we never have gone very far beyond the study stage and talk stage although we have known that adequate medical care and hospital service is beyond the reach of the average citizen.

"Everybody has said for years that service is available only to the wealthy and the indigent and there is considerable truth in the statement."

Citing figures of the State selective service system as showing a need for an improved health program, Warren said that of every 100 California men examined for induction into the armed services 38 have been rejected on account of physical or mental deficiencies.

In all, he said that 374,000 men between the ages of 18 and 36 have been found defective. If the figure were projected, he said, it means that about 1,500,000 California residents are below standard in health.

"I'm sure that there are many people who will be startled at the idea of compulsory health insurance," Warren said, "but there are always people startled at new things even when they have to be done."

The Governor said that it might be necessary for contributions to start some time before benefits can be inaugurated, or the State might guarantee the benefit fund during a trial period.

The coverage should be broader than present coverage of unemployment insurance, taking in self-employed and other groups, Warren said. He added that it might be wise at least at first to place a ceiling on the income level of persons covered in the plan.—Lloyd Lapham in El Centro *Post-Express,* December 31, 1944.

ITEM IV

Health Insurance Now Practical State Issue

Governor Warren has finally made general health insurance a practical issue in California, by the proposals which he is preparing to submit to the Legislature. He now invites public discussion on them, which is all to the good, provided it is informed, seeking the facts, and not political phrase-making, devising slogans to win a prejudged case. . . .

The Governor has stated the essentials so well that there is no need to devote this opening column on the subject to a detailed analysis of them. What I have learned about it in over 60 years is far too much for the few hundred words of a single newspaper column. That must wait for another occasion; perhaps several of them.

May I, therefore, for this time, begin with a strictly personal account of the origin of my own active interest in the subject, which has continued, increasingly, throughout most of a now already long lifetime?

I first became acquainted with the "Krankenkasse," when, as a very young student in Berlin, I saw it operate under the system originally established by Bismarck, who had then only just gone out of office. This system of health insurance, inadequate though it was, appeared so much in advance of anything of the sort we then had in America that I began commending it, at first orally and in letters to my medical friends in Germany and in America. I have kept up that advocacy through public and personal channels, almost continuously ever since.

Bismarck was smart. He knew when he had got what he wanted and had the sense to hold on to it. In 1866 he had thrown Austria out of the then loose group of Germanic commonwealths, preparatory to the coup of 1871, when, after the defeat of Napoleon III, he established a Federated Reich, with Prussia as its dominant State and no Metternich's Austria as even second.

Then he set up formally parliamentary systems, both national and state, with the elections for the lower houses so thoroughly gerrymandered as to prevent any effective opposition, and the appointive upper houses, in which all legislation must originate, virtually under the Chancellor's absolute veto. There is no room here to describe the method.

Nevertheless it was Bismarck who set up the system of social security, including health insurance, which finally became the model for the whole civilized world—last of all America, and not yet general health insurance even here.

Possibly one of Bismarck's motives was the good of the country. But the more Bismarckian one was to beat the Socialists to it, and to keep the people quiet—which largely it did.

It nearly stopped the third of the great German migrations to America, this one of workers and peasants seeking the higher wages of America and the free western land under the homestead act. American standards were higher than German, for those who succeeded in the competition, and some continued to come for these motives, until two wars shut them off. But these social security laws made life safer in Germany, and many Germans preferred that.

Ever since Theodore Roosevelt at least we have had movements for such social legislation here—all except general health insurance, which the Fishbein propaganda miscalled "State medicine." Now even organized medicine, under Warren's challenge in California, is considering whether the time has not come to reverse that attitude.

The war has revealed how large a part of the inductees were physically disqualified, many of whom had never had adequate medical care. They have had it and learned to value it in the armed services, and when they return they will be satisfied with nothing less. Neither will organized labor, nor the more advanced members of the medical profession.

Now comes Governor Warren, with a challenge that cannot be ignored. He has stated it so well that no more need be said here, until another time.

But may I return to the personal note on which I started? It is some satisfaction to have lived to see the probable early fruition of a crusade in which I have been engaged for 60 years.—Chester Rowell, in San Francisco *Chronicle,* January 4.

ITEM V

California Medical Association Tables Medical Care Plan for State Health Insurance Idea

January 6, 1945.—Intimation that the California legislature will be asked to make State unemployment insurance funds available to solve the problem of mass medical care was made on January 5 before the House of Delegates of the California Medical Association, at the Elks' Temple in Los Angeles.

An advocate of the plan for making medical care an adjunct of the unemployment fund spoke before the closed meeting of the medical delegates.

Following his description of the plan, the delegates voted to table all proposals for a statewide health insurance system that had been placed before them earlier.

The resolutions committee was then instructed to meet last night and draw up new proposals for submission before today's session of the delegates.

Advocates of making the health care facility part of the state unemployment system pointed out that it is now in operation with outstanding success in Rhode Island, allowing full medical care for non-industrial accidents and illnesses with hospitalization of 21 days.

A spokesman for the plan pointed out that the Federal Government now holds in trust $621,000 000 of the California Unemployment Insurance fund, and that actuarial equations show that this would be more than adequate to provide mass medical care in addition to unemployment insurance.

No increase in unemployment taxation of either the employee or employer would be necessary to finance the health plan, he said.

The physicians showed especial interest in figures indicating that mass medical care could be implemented at small administrative cost under the present state unemployment insurance governmental department, while the formation of either an adequate voluntary insurance plan or a separate State department would create a large burden of expense.

It was pointed out that under the suggested plan, the physicians would be paid their fees under an arrangement similar to the workman's compensation law, and that no governmental control of the medical profession is inherent in the proposal.

The proposal for extending the State insurance fund mass medical care was in line with a resolution adopted by the medical delegates at an earlier session of their three day meet.

The resolution stated that the association would not oppose compulsory health insurance providing the people of California wanted it and were willing to provide adequate funds for its administration.

Both C.I.O. and A.F.L. labor union representatives were present at open session of the convention.

The C.I.O. submitted a proposal through educational and legislative director Albee Slade and State secretary Mervyn Rathbone calling for a health plan financed by a 3 per cent payroll tax, split between employees and employers, and covering all persons and their families now covered by the State unemployment insurance act.

The C.I.O. plan would call for additional taxation revenue of $250,000,000 a year, would affect about 6,000,000 persons, including indigents, and under it doctors and patients would have complete freedom of choice.

Gene Boyd, A.F.L. representative at the meet, was asked to comment on the C.I.O. plan, but declared the A.F.L. is going to wait and see what recommendations on health insurance Governor Warren submits to the legislature before taking a stand on the C.I.O. proposals.

Boyd said the A.F.L. "recognizes the need of a comprehensive system of socialized medicine," and warned the medical delegates that doctors must take the initiative in evolving an adequate plan if they wish to avoid imposition of State controls not to their liking.—Los Angeles *Daily News*, January 6.

ITEM VI

California Medical Association Rejects Governor Warren's Plan

Alternative to Health Insurance Offered

Los Angeles, Jan. 6.—(UP.)—The California Medical Association turned down today Governor Warren's suggestion for compulsory health insurance financed by payroll taxes.

The association proposed, in its stead, cash indemnities for ill or injured workers through non-industrial causes, to be paid by increased California unemployment insurance act benefits.

The medical association's House of Delegates described compulsory insurance as a dangerous threat to the practice of medicine under present wartime conditions and said that the disruption springing from revolutionary changes would result in a "catastrophe for the people of the State."

Delegates offered as a solution to the State's health problem a program extending the benefits and facilities of two already existing services and calling for more intensive enforcement of preventive measures.

Their plan depends upon legislative action to tap the growing surplus of the unemployment compensation fund, now $622,000,000. Without increasing payroll taxes, they would allow cash indemnities in payment of hospitalization costs.

The association espoused the cause of the California Physicians' Service, which for five years has been offering a statewide, non-profit prepayment plan for families in lower income brackets, and called upon the State, management and labor to help the C.P.S. attain its objectives. —San Bernardino *Sun*, January 7.

ITEM VII

Roseville Doctor Opposes Health Insurance Bill

Editor of *The Bee*—Sir: Your editorial of January 2nd, commenting on the Governor's proposal for compulsory health insurance in California, advances the following arguments:

Premise: Thirty-eight per cent of the draft age men in California have been found to be defective, mentally or physically. This is a fact.

Premise II: If these "defective" men had received proper and adequate medical attention a significant percentage would not have been found "defective." This is also correct. But when you consider that approximately one-third of the rejections were made for the single reason that these men were considered "mentally unsuitable" for military service, your argument loses considerable weight.

Premise III: These men did not receive proper and adequate medical attention because they or their parents were unable to pay the cost thereof. This statement is only partially true. Many people in California would not accept proper medical care even if they were charged for it through taxes.

Your conclusion: A system of compulsory State health insurance could have prevented the rejection of 38 per cent of these California draftees. This assumption is absolutely contrary to all human experience. Systems of compulsory State health insurance have always caused a lowering of medical standards.

Under our present system of medical practice the people of this country have enjoyed the best physical health record of any nation on earth. As many other nations have had state health insurance for several years, even before this war, and as none of them can equal our health record, we would do well not to "kill the goose that laid the golden egg."

L. W. Empey, M. D.

Roseville.

—Sacramento *Bee*, January 11.

ITEM VIII

Labor Pushes Prospective California Health Care Plan

Whatever else 1945 brings, it is sure to bring workers of California, and consequently of the other 47 states, a lot closer to organized health care via social insurance.

The movement toward a system of genuinely social sickness insurance based on compulsory collection from wage earners and their employers flows from three main sources, in this order: (1) organized labor, (2) organized medicine—as represented by the leaders of the California Medical Association, (3) the state administration, headed by Gov. Earl Warren (R.), who has just nimbly leaped to put himself at the head of a movement that he sees is inevitable.

Warren will submit to the California legislature this month a plan for compulsory health insurance financed by a payroll tax on workers covered by unemployment insurance and on their employers. Warren is already garnering credit for this liberal step unprecedented in the annuals of the 48 states and his backing of a good bill will be fine. However, the parade had already formed largely by and around Union groups and it was on its way when he ran to the head of the line waving a drum-major's baton as if he had thought it up.

On Dec. 20 an historic letter went to doctors in this area from the office of Dr. Lowell S. Goin, clear-thinking president of the state medical association. It said in part: "Labor intends to introduce into the January session of the State legislature a bill providing for the establishment of compulsory health insurance in California. . . . " —The American *Aeronaut*, Los Angeles, January. 12.

ITEM IX

New Deal Hopes For Regulation

An if-you-don't-act-uncle-will attitude has of necessity made states increasingly vigilant about their rights as self-governing commonwealths.

It is this fear of Federal intrusion into fields historically reserved to the states or to private enterprise which has impelled Governor Warren to propose health insurance in California and request new legislation regulating other forms of insurance now in effect.

California physicians will do well to determine among themselves by what means they can assist Governor Warren in the formation of a health insurance program which will set a national standard and not make traditional practice of medicine obsolescent.

Certainly that offers more for them than obstruction leading to Federal action setting up another agency with the bureaucratic propensity for regimentation.

Washington bureaucrats may be sowing the seeds of their own destruction by their continued zeal for the regulation of the lives of all Americans. But while they're still riding high California legislators had better give close attention to scrutinizing the operation of fire and life insurance companies within this State.

President Roosevelt has declared that his administration is not sponsoring legislation for regulating insurance companies. It is the old story of where there is so much smoke there must be some fire.

Such a disavowal does not accord with the obvious fact that the vast money resources of the nation's insurance companies would come in handy for certain New Deal planners. . . . —Sacramento *Union*, January 12.

ITEM X

Selective Service Examinations Show Health Needs

January, of this year, saw the completion of more than 13,000,000 examinations of registrants for the armed forces. This unprecedented mass of medical data is now being subjected to statistical analyses, according to an article entitled "National Program for Physical Fitness," by Col. Leonard B. Rountree, chief, medical division, National Headquarters, Selective Service System, published in *The Journal of the American Medical Association*, July 22. Colonel Rountree states that a picture of the health needs of the nation has emerged as a by-product of the examinations. Some of the high points of the article follow:

In five registrations between October 16, 1940, and July 30, 1942, all males between 18 and 65 years of age were registered. Twenty-nine million were between the ages of 18 and 45, but only 22,000,000 men, between 18 and 37, were subject to induction. The Selective Service classified all men within the 18 to 45 year age range, and the medical division advised local boards as to physical requirements for acceptance into the fighting forces. In this program, some 33,000 doctors and 10 000 dentists have participated as examining physicians and dentists for local boards or as members of medical advisory boards. *All this service has been gratuitous.*

Results of all medical examinations have been recorded on special forms provided for this purpose, and copies of more than 13,000,000 of such forms are now filed in the Philadelphia branch of the Division of Research and Statistics of the Selective Service System. Of this number, approximately 4,000,000 are rejectees.

More than one-third of all rejections are for neuropsychiatric reasons.

The 4-F pool has grown at the rate of approximately 85,000 per month during the last year. Age distribution in this group as of March 1, 1944, showed 1,400,000 under 26; approximately 700,000, 26 to 30 years, and 1,400,000 between 30 and 38. Above 38, experience has shown that there are few who can qualify and serve satisfactorily.

A National Committee for Physical Fitness, created in 1943, has launched a program to help solve this great problem, but, Colonel Rountree states, vigorous medical leadership is essential to success.—San Francisco *Argonaut*, October 13, 1944.

ITEM XI

Dentists O. K. Health Levy

Favor Governor Warren's Proposal of Prepaid Medical Care

Dentists of California went on record on January 12 as favoring Governor Warren's proposal for a system of prepaid medical care through compulsory health insurance, insofar as dentistry is concerned, and pledged coöperation in working out such a program.

This was revealed in a statement issued by Dr. Harry H. Bleecker, president of the Southern California State Dental Association.

"It is the unanimous opinion of the members of the executive councils of the California State Dental Association and the Southern California State Dental Association, that their representatives be authorized to coöperate in formulating the dental aspects of any comprehensive program for health service in which dental services are to be included," said Dr. Bleecker.

"The councils came to this decision at a recent joint meeting held at the University Club in Los Angeles."

Two Year Study

Dr. Bleecker pointed out that the decision was not reached hastily, but resulted from extensive study over a two-year period by the Council on Dental Health.

"Proponents of compulsory health insurance recently asked for our attitude on the proposal by Governor Warren," he said.

"The decision reached at the meeting of the executive councils of both California Dental Associations is our answer." . . .

—Los Angeles *Examiner*, January 13.

ITEM XII

Federal Health Legislation Study Announced

Washington, January 15.—Chairman James E. Murray

(D., Mont.) of the Senate education and labor committee, announced today appointment of a permanent nine-man subcommittee to consider all proposed public health legislation.

"The high rejection rates of Selective Service, and the recently issued report of the subcommittee on wartime health and education, have both emphasized how vitally the national security is determined by the health and physical fitness of the people," Murray said. "It is hoped that this Congress will produce legislation which in a proper way may make available more and better health care to the American people."—San Francisco *News*, January 15.

ITEM XIII

Governor Warren Health Program

Sacramento, January 15.—Probably destined to become the most controversial bill presented to the 56th session of the State Legislature, Governor Warren's compulsory health insurance plan will be introduced simultaneously to the Assembly and Senate late this week.

In revealing features of his proposed measure, the Governor admitted that some ramifications of it have not been worked out and that their final status will be determined by the commission, appointed to administer the program, after it has passed through the trial and error stages.

Doctors Opposed

The only organized opposition so far developed has come from the California Medical Association, but some senators and assemblymen have expressed disapproval of the plan because of its enforced financing method—the withholding of taxes from wages and salaries.

The plan, to be financed by withholding taxes beginning next year, is expected to go into operation January 1, 1947, the Governor announced, declaring it would take a year to build a fund sufficient to maintain it.

The bill will be introduced by Sen. Byrl Salsman of Palo Alto, and Assemblyman Albert C. Wollenberg of San Francisco, Warren said.

Withhold From Pay

Roughly, the plan simply says that 1½ per cent of a wage earner's pay shall be withheld from his paycheck to cover medical care, a like amount to be assessed against his employer, and that during an illness he will be attended by a physician subscribing to the plan, and at a fee to be fixed by the controlling State commission.

The program will include certain types of dental work and oral surgery.

To prevent an inequity to those in the upper salary brackets, the Governor said that an arbitrary point probably will be set so that those earners pay the tax on possibly only $4,000 of their income.

Limit on Withholding

"It obviously would be unfair to tax the $10,000 earner on his entire salary, while the man earning a great deal less is entitled to the same medical service," Warren said.

"Although we have set no definite place to stop, I am in favor of limiting the assessment to $4,000 of his income."

The Governor also said that self-employers, agriculture workers, and others who do not come under the unemployment plan, can receive the State medical service by volunteer payment of the full 3 per cent tax.

Degree of Sickness

Warren said there will be a limit to just how sick the recipient can be. If his ailment develops into a lengthy hospital case, he will have to foot the bill after the illness has passed an arbitrary point. That point is yet to be settled, the Governor added.

According to the plan, there will be a set price for various classes of ailments and surgical operations and no deviation from the scale will be permitted under the law, he revealed.

Can Be No Juggling

In illustrating his point, Warren explained:

"If the price set for a tonsillectomy is $25, the law will not permit the patient to have the operation performed by a surgeon whose fee is $50, the patient paying the extra $25 out of his pocket.

"If the patient wants to pay for his own operation, then he will pay it all and take the physician of his choosing. Otherwise he will accept one of the State's subscribing doctors and have it done at the fixed fee."

"There will be no mixed service, with the State paying part of the bill and the patient for extra service," he emphasized.

Tax Begins in 1946

The bill calls for the withholding tax to begin in 1946 and operation of the service to start in 1947, the Governor said.

"If we get it started now, it will give us ample time to iron out any objectionable phases and have a firm policy fixed," he said.

The Governor said he would not want to see the service start while so many Californians are away at war, asserting that to do so might interfere with fair operation of the plan.

Use Old Services

Pointing out that there now are some volunteer medical services in the State which are common to his plan, the Governor said that where these existed a direct tie-up between them and the State service can be made.

Hypochondriacs and persons with chronic diseases accumulated through the years will be an enormous problem during the first year of the plan's operation, the Governor believes, but he added that after recipients realize it is a lifetime service this problem will adjust itself.

Warren said he did not believe industry will offer material objection to the plan.

Aid to Industry

"Most industries have a health program of some kind in which they bear part or all of the expense. Any organization composed of healthy, contented people will be more vigorous, efficient and thereby more productive, which industry thoroughly realizes, he said.

No details have been worked out as to status of newcomers to the State, Warren said, as compared to those who will have paid in on the program for a year before it becomes workable.

Quicker the Better

"We may have to set a prescribed time for paying into the plan before an insuree can benefit by it.

"But, on the other hand, the entire program is aimed at raising our health standards, and the quicker we help an ailing newcomer, maybe it will be better for all of us.

"There are bound to be some inequities, which can't be helped, but it will average up so that every family will get a break," he believes.

* * *

In a letter mailed to each senator and assemblyman over the signature of John Hunter, executive secretary, the California Medical Association opposes the program on many points.

Doctors Say Too Much

The association contends that the withholding tax features will amount to $40 per person per year, and to which wage earners will seriously object.

The organization also contends that such a bill has

no place in the present scheme of California's plans while "3,000 of our doctors and 800,000 of our citizens are in the armed forces."

It also objects to the compulsory phase, declaring the California Physicians' Service is a volunteer plan aiming at the same result and more could be achieved by furtherance of it.—James M. Kendrick in Sacramento *Union*, January 15.

ITEM XIV

Warren Lists Principles of Medical Plan

One Year Required to Establish Fund to Launch Program

Sacramento, Jan. 14. (AP)—*Governor Warren said today he hopes Californians can begin enjoying benefits of his recommended health insurance program by January 1, 1947.*

If the current legislature approves his plan of building a state fund to meet costs of medical, dental and hospital care, the Governor said all of 1946 would be required to accumulate sufficient money to start operations.

Principles Listed

Announcing that the measure will be introduced in each house by Senator Byrl Salsman of Palo Alto and Assemblyman Albert M. Wollenberg during the coming week, Warren said he and the legislators have agreed on the following principles:

1. A payroll contribution of 1½ per cent by both employer and employee with workers and their families eligible for benefits.

2. Inclusion in the system of all persons currently covered by unemployment insurance, but with the tax applying only on the first $4,000 of annual earnings.

3. Allowing persons not covered by unemployment insurance to enter the system on a voluntary basis.

4. Payment of doctors and dentists on a fee basis with fees varying for different types of service. The Governor said he proposes a so-called capitation system where doctors are assigned a definite number of patients and are paid on the basis of the number assigned.

5. Permitting continuation of existing voluntary industrial health insurance programs when they meet State standards, but requiring payroll deductions for the State fund and benefit payments to the private group on the basis of service rendered.

6. Complete freedom of choice between patient and doctor.

7. Doctors will not be allowed to make "side agreements" for extra fees and continue eligible for State payments on the theory service would deteriorate for those not paying extra.

8. No exemption from the tax should be granted on the ground a patient wishes to be treated by a doctor not participating in the system.

* * *

Warren said he is not in sympathy with objections that employers should not contribute to the fund on the ground it is up to the individual to care for his own health.

Outside of the humanitarian aspects involved, Warren said, most progressive industrial organizations which have installed health systems have found efficiency increases.

"There are innumerable people who go to work half sick or really sick because they can't afford to go to the doctor," Warren said. "Others go to work distressed about a sick wife or baby and are almost worthless on the job. They slow other workers down."

The Governor said he did not agree with the contention the State should delay action until the close of the war to determine the attitude of medical men in the armed service. Surveys show, he said, that one-third of the doctors in the service want some form of group medicine. He added he hopes service medical men will be back in private practice by 1947.

The Governor cautioned that the program would develop a number of "abuses" in its first year, but expressed satisfaction they could be eliminated as experience was gained.

One abuse, he declared, would be treatments demanded by persons with imaginary illnesses.

"Medical men tell me this will be an enormous problem and that nothing but experience in administration can give us the answer," he declared.—San Jose *Mercury Herald*, January 15.

ITEM XV

Governor Warren Cites California Health Blot

Sacramento, Jan. 11.—(UP.)—Compulsory health insurance in California would result in a State "not only happier but more prosperous than ever before," Gov. Earl Warren declared today.

Warren announced last week that he will sponsor legislation to establish the health insurance program.

He called attention to the fact that 374,100 California men between the ages of 19 and 36 were found to have physical or mental defects when examined by the Selective Service System. . . .

"The only way health insurance can be made to work is to distribute the cost of basic medical care among all who are subject to its benefits.

"At present, only the wealthy and the very poor have access to adequate medical care. The great middle class can't afford it. As a result, there is no question but what the health level of this State is far below what it should be."

Warren predicted that "a lot of people will be startled by the thought of compulsory health insurance, but we always have been startled by new things, even when we knew they were necessary."

He cited workman's compensation insurance, which he said "no thinking person would have us abandon now."

Unemployment insurance and old-age pensions experienced similar "growing pains," Warren added.—Los Angeles *Independent Review*, January 16.

ITEM XVI

Governor Warren's Health Bill

Putting it down on paper and making it into a practical law isn't proving so easy for Governor Warren in proposing a prepaid medical plan for the California people. The Governor and his aides have been wrestling with the legislative form of the plan ever since he proposed it in challenging tones to the legislature when it convened a week ago yesterday.

* * *

The Governor in that part of his address to the legislators raised his voice slightly, spoke with a chip on his shoulder. His tone said plainly that this proposal was a controversial one, it was being vigorously opposed by the medical profession, but he was making it his number one project for his first term of office and he intended to support it the full limit of his ability and exert in its behalf all his influence as the State's chief executive.

* * *

Money for the health program will be on a deduction basis for wage-earners, similar to the social security allotment plan. The medical take from the wage envelop will be 1½ per cent for each employee, the employer being required to put up a like sum. Those in the higher salary brackets will be taxed up to $4,000 of their gross

income. Beyond that they will be exempt. The health plan will apply to an entire family, including the wife and the children.

This writer has heard numerous legislators discuss the plan, arguing back and forth as to its feasibility. Some question was raised as to whether the public would approve a deduction that might prove hit or miss. The social security money goes to everyone. The health plan will provide medical care for the sick, while the healthier people may never benefit from it. If the money should be set up per family, and be returned if not used up by illness, the plan might be fairer to employee and employer, it is argued.

* * *

Illness is the worst financial setback suffered by most families in meeting their necessary living expenses. It is a setback because of the charges for hospital and medical service. Operations are expensive. Prolonged stays in hospitals are a drain on the family purse. Babies become luxuries because of the expense of bringing them into the world and seeing that they get medical treatment in the years they suffer from children's diseases. The support of the State health plan will come from people who know what it means to pay medical costs and who fear to be forced into debt again to meet such family obligations.

* * *

The Governor overcame one of the objections of the medical men when he proposed the plan not become effective for two years. The medical profession pointed out that many doctors are now in the armed services and those now practicing are overburdened with cases. A two-year postponement will help to get the fund started, will determine whether wartime conditions by 1947 will be such that the plan can become effective.

* * *

The success of the Governor's plan depends on its final form. If the legislature harmonizes with him in devising a practical system the proposal should meet with popular approval, because the medical need is great and the expense has become too much of a burden for most middle group families. The poor and the rich get care, while the rich and the better-salaried people help to defray the cost of the service given those who have no funds of their own. The health plan will spread the cost, make fees more uniform, provide medical attention for all and should promote the general public health. If it can be made to do these things by a workable law, then California will be taking the lead nationally in providing a great public benefit for the American people.—"Sacramento," by C. J. L., in Sacramento *Union*, January 16.

ITEM XVII

Warren Health Plan May Get "Kiss Off" of Politics, Pressure

Sacramento, Jan. 16.—Unless Governor Warren elects to make enactment of his compulsory health insurance proposal a test of his personal leadership, the proposal may be kissed off to some legislative interim committee for two years' more study, Republican majority leaders believe.

General Capitol feeling is that the program is "too strong medicine" for so-called conservative elements right now. If the Governor bears down, however, it is probable his own party would be reluctant to fight the program openly because of possible damage to Governor Warren's national prestige.

But opposition to the plan is strong beyond strictly political circles. Assemblymen and senators must heed some groups that want no part of compulsory health insurance. Any gubernatorial insistence on enactment now would be embarrassing to these members.

So they are already squirming. Some insist the issue needs more study. The Governor does not agree. He has pointed out emphatically that there has been plenty of time for "study" and that the time for action is here.

* * *

A number of counter measures, apparently designed to placate the Governor while making health insurance acceptable to opposing pressure groups, are in prospect.

The California Medical Association is expected to offer one such bill, according to Ben Read, its legislative representative. Assemblyman Albert C. Wollenberg of San Francisco, and Senator Byrl R. Salsman, Palo Alto, will steer the Governor's bills in the respective houses

A pole away from the medical association stands the C.I.O—a pressure group quite as powerful as the medical fraternity—demanding legislation even more liberal than the Governor proposes.

Preliminary handling of the measure will fall to the Senate welfare and the Assembly public health committee, neither any playground for the bill.

So, to avert as much discord as possible at this session, referral to an interim committee is considered the ideal out by a lot of smart politicians from the red and green rooms.

But, even were that done, the question then would arise: "To which interim committee should it go?"—San Francisco *News*, January 16.

ITEM XVIII

Governor Warren's Health Plan

Governor Warren privately has little hopes that his compulsory health insurance plan will be enacted at this session of the State legislature, despite all the ballyhoo from his office.

The real lowdown on the situation is that the Governor decided to beat the C.I.O. and his Democratic rivals to the punch with his sponsorship of the legislation as a prelude to the 1946 gubernatorial campaign.

Prepaid medical care is the keystone in the arch of the C.I.O. legislative setup (they even have an initiative measure on it up their sleeve); many Democrats from labor districts are strongly for it, and now Warren states that it's his No. 1 legislative baby.

If it passes, all well and good: the Governor gets the credit. If it is defeated, well, he did his part and neither the C.I.O. nor the Democrats can blame him.

But plenty of opposition is developing, and the Republican legislators are definitely being put on the spot. Whether to go along with the Governor's program, which incidentally embraces every single C.I.O. objective, or to listen to the home folks is the problem confronting the lawmakers. Warren has tossed the ball to them and it is a decidedly hot political potato.

* * *

The doctors and the druggists and dentists, the insurance men and business men, big and little, are lining up their forces in every community of the State against the proposal. And when they really start putting the heat on their home town boys at Sacramento there's going to be a lot of them squirm and get the jitters.

Under cover, there is a growing revolt against any more payroll deductions. What with deductions for income tax, social insurance tax, private group insurance, union dues, war bonds, and what not, many legislators feel that the load on the wage-earner—and the employer—is tough enough. Compulsory health insurance might not be a bad idea in principle, but can it be afforded is the big economic question of the moment.

Governor Warren is willing to compromise, if necessary to put over his plan. But so far he hasn't been able to arouse much enthusiasm among his own party in the Legislature, and even Assemblyman Albert C. Wollen-

berg of San Francisco and Senator Byrl Salsman of Palo Alto, who will handle the legislation, are lukewarm on it—very lukewarm.

Don't bet any money on the Governor winning this one this year.—"Politicus" in San Francisco *Call-Bulletin*, January 16.

ITEM XIX

Health Insurance

We do not like the situation into which the health insurance proposition in the Legislature has fallen. The subject is complicated and very new to California. For this very reason we want to see it dealt with honestly and in the open. We will oppose the smothering of Governor Warren's bill, or any fast work on it in the committees.

The Legislature and the public need information on health insurance. There is a real demand for legislation to provide a system of insurance of medical care. This social advance is overdue here. But disinterested citizens want a sound system. We shall not get that without a full and honest discussion of all that is known of health insurance and of how the various plans have worked where they have been tried. We shall never get that by finagling either for or against the Governor's plan or for or against any other plan.

Those who, in the Legislature or out of it, work by devious methods to put over their own obsessions will find themselves the victims. One way or another, they will get the opposite of what they want. A dissatisfied public will lay the blame on them and in disgust perhaps force on the State some futile or disastrous scheme.

Health insurance is distinctly not a matter for antagonistic pressure groups, but for honest coöperation.—Editorial in San Francisco *Chronicle*, January 17.

ITEM XX

Sidney Hillman Says P.A.C. Is to Be Prepared

Oakland, Jan. 13.—(AP.)—Sidney Hillman told a conference of the California Congress of Industrial Organizations Council and State Political Action Committee the immediate job of the National Citizens Political Action Committee must be to organize for the 1946 congressional elections and for support of elements seeking world coöperation.

Earlier in an interview in San Francisco the national P.A.C. director said the organization plans to enter into the 1946 congressional campaigns in the same way it participated in the 1944 general election. . . .

Hillman, recently returned from a labor conference in England, said: "Large sections of Europeans believe that the entry of American labor into politics in a positive way means better hope for international coöperation."

The P.A.C.-C.I.O. conference advocated support of Governor Warren's compulsory health insurance bill; immediate enactment of a State fair employment practices act; improved old age pensions, better veterans benefits; more child care centers and reduction in voting age to 18.—Sacramento *Bee*, January 13.

ITEM XXI

Assembly Gets Health Bills

Sacramento, Jan. 18.—(AP.)—A half-dozen health insurance bills, some of them counter-measures to Governor Warren's prepaid medical plan, others merely modifying certain sections of his proposal, were disclosed today.

* * *

Assemblyman Augustus F. Hawkins, of Los Angeles, speaking for a Democratci bloc of 14 or more members, announced support of Warren's compulsory health insurance measure in principle, reserving the right to differ as to details of financing and administration.

No opposition which will endanger enactment of some health insurance legislation at this session, will be offered, he said.

* * *

Two of the newly-announced bills will be authored by Senator George J. Hatfield (R, Merced County) on behalf of the California Farm Bureau Federation. These would create voluntary, rather than compulsory health services, but would provide a centralized control over all organizations which provide medical care on a periodic basis.

* * *

A C.I.O. bill and one sponsored by the California Medical Association, were announced. The former would provide for the "per capita" plan whereby physicians would be paid a flat amount on the basis of the number of patients they care for, rather than on a fee schedule, fixing the payment for operations and other specific services rendered. . . .—Hollywood *Citizen-News*, January 18.

ITEM XXII

Labor Economist Favors Two Changes in Warren Health Plan

Belief that "Governor Warren is really sincere about his compulsory health proposal, and wants the plan to work," was expressed today by Miss Margaret Stein, medical economist with the Northern California Union Health Committee who returned this week from Washington, D. C. She conferred there with doctors at the National Conference of Physicians Forum to obtain California's part in the over-all health picture.

"Governor Warren's proposal in general is excellent. Certainly we need a compulsory health insurance bill," she said.

"However, there are two points at which labor disagrees with the present projected bill. One concerns control. Labor believes that instead of an executive director who is a medical man, power should be vested with a commission representing both consumer and professional interests. Labor, agriculture, the public at large, the dental profession, and full-time teaching research end of medicine should be represented on the board along with the California Medical Association.

"Labor also takes exception to certain proposals for method of payment to the general practitioner. The trouble with the 'fee for service' plan as proposed by the Governor is that the consumer must be sick before he calls a physician—if he calls one.

"We prefer the capitation plan which gives health assurance through stipulated payment to the doctor for each citizen who selects his services, and thus assures checkup before severe illness occurs."

Specialists' fees, Miss Stein believes, would be taken care of under a special services division of the health insurance fund.

The California Medical Association's counter-proposal that funds from the unemployment insurance fund be used for cash disability benefits instead of instituting compulsory health insurance, Miss Stein is opposed to, since "we need a plan to guarantee service as well."—San Francisco *News*, January 18.

ITEM XXIII

Press Release: California Medical Association

(COPY)

San Francisco, January 18.—California's doctors are ready to give Governor Warren any requested assistance in writing his proposed health insurance bill despite the fact that the doctors have officially gone on record as

being opposed to the compulsory system which the Governor has announced.

That statement was made here today by Dr. Philip K. Gilman, chairman of the Council and president-elect of the California Medical Association.

"The Governor has not requested the California Medical Association to give him any help on his proposed bill," Dr. Gilman said, "but the Association is ready and willing to supply any technical details which the Governor may request. Through our experience of the past six years with California Physicians' Service we have accumulated a mass of actuarial data which we will be glad to lay in the proper hands upon request. It is doubtful if material of such value could be assembled from any other source in the country.

"If the Governor wants this material, all he need do is ask for it. However, this does not mean that the California Medical Association is acting as co-sponsor for any plan which might be evolved from the use of such facts and figures as we may be able to furnish. The House of Delegates of the California Medical Association has gone on record officially as opposing any compulsory health insurance plan which has so far been presented to it, including the outline of Governor Warren's plan as announced in the press and as given directly by the Governor to the Council of the Association."

Dr. Gilman detailed some of the reasons why the medical association is against a compulsory health insurance plan at this time, laying particular stress on the manpower shortage and the impracticability of setting up such a system under wartime conditions.

"The California Medical Association went on record in 1938," he said, "as favoring a system of health insurance. That was when California Physicians' Service was organized. This service has only recently emerged from the statistical study period encountered at the outset and has gained the knowledge of how a widespread health insurance plan can be operated with satisfaction to both the patient and the doctor.

"If we now attempt to extend such practices to a compulsory health insurance system and saddle the doctors and the patients with a new set of regulations and further payroll deductions, we are facing an immediate breakdown of the entire system of medical care in California.

"In the first place, there is grave doubt that sufficient manpower could be found to staff the administrative offices necessary in a Statewide compulsory plan. In the second place—and this is where the doctors are directly concerned—there are certainly not enough doctors in California to handle the additional medical work which would be thrown upon their shoulders if such a plan were instituted.

"The doctors of California and of all other states are working at top speed today. The death rate among the physicians is climbing because of overwork, long hours and the attempt to care for all cases which really demand attention.

"Now the Federal government is talking about drafting nurses and thus cutting off one of the mainstays of the doctors' offices. The burden in doctors' offices is already too great and any compulsory health insurance plan which is added on the top of the present medical structure can only bring a collapse.

"The California Medical Association has offered an alternate solution for immediate adoption. It has suggested that workers who are out of employment because of illness be granted unemployment benefits from present unemployment funds. Such benefits would help to ease the burdens of loss of income and medical and hospital expenses for the employed person.

"At the same time, the California Medical Association has gone on record as recognizing that a problem exists in the distribution of medical care and has suggested that a joint committee of physicians, dentists, labor, management, government, agriculutre, hospitals and others be established immediately for the purpose of conferring on a complete and comprehensive plan to cover the entire problem of health service in California. Invitations to all groups concerned will be issued by the California Medical Association within the next few days for a joint meeting to be held, if possible, within the next two weeks."

ITEM XXIV

Health Measure Needed

There are three choices before the people of California in the matter of health insurance. They are:

1. To do nothing about it.

2. To find themselves faced with several pressure-group initiatives, in which one they would have no part in drafting might be established in State law.

3. To cause the Legislature in session to frame carefully with the help of experts, and pass, a sane and sound compulsory measure.

To adopt the first course is to invite No. 2. The issue of medical costs is one which has become more insistent in recent years. If it is intelligently attacked, we do not believe the medical profession will suffer economically from it, or that medical standards will be impaired. We do not believe in "State medicine," so-called, nor in undermining the individual physician or his professional standing and pride, nor in subtracting from the complete freedom of choice of the physician by the citizen or patient. We want no compulsion in this direction.

But neither do we believe that the doctor or others who merely seek to maintain the status quo is being realistic about the forces at work in the modern economic world.

The issue of health insurance exists on a national scale, but we think it can be more adequately handled by State law running to a geographically more conveneint and compact population. Therefore we don't think the people of California can longer afford to do nothing about health insurance. We don't think the people of California can risk the possibility of being handed a pressure-group initiative, and having to vote for it as an evil less than that of rejecting it, or less than that of some rival initiative. Such initiatives are likely to be inadequate, ineptly or meretriciously framed, and they seldom look to the whole public welfare.

So we believe the people should press the Legislature to pass a compulsory health insurance law. No better program is in sight than the one now advocated by Governor Warren, and none is so likely to look to the whole public welfare.

We do not mean the Legislature should be urged to rubber-stamp this program. There is sincere controversy over some methods to be employed in such legislation, particularly as to whether physicians shall be paid on a fee basis or a per capita basis. The question appears vital to some, but in any case we advocate careful study by the Legislature and by the committees. All sides and all points raised by the proposed legislation should be heard, and every aspect weighed. The impartial particularly should be heard, but not the impartial exclusively. Experts, such as there are, should be called in, and a thorough study made of situations where health insurance already is being tried out.

The Legislature should take its full time to mature the measure and permit public opinion to mature. No hurry. But if special, or dogmatic or reactionary interests seek to smother this legislation by committee burial or other legislative tricks, we believe legislators who

have California at heart should smoke them out and bring the matter to a test. One not only can't fool all the people all the time, but unless one is in a legislative body only for what there is in it, one shouldn't even try.—Editorial in San Francisco *Chronicle*, January 18.

ITEM XXV

California Health Bill

American Hospital Group Official Hits California Plan

Declaring that more analysis and thought should be given to the proposed State insurance plan of Governor Earl Warren, Rex Bixby, managing director of the American Hospital Association has offered the services of that organization to the people of California, in an open letter addressed to the Governor.

"We believe that your proposal that California go down the enticing but dangerous road to socialized medicine requires much more analysis and thought than has yet been given it," Bixby wrote to the Governor.

Bixby also declared in the letter that "the road to destruction down which the countries of Fascism and National Socialism traveled was made attractive by just such paternalistic 'don't worry anymore, the State will do it for you' signs as that which it is now proposed to put before the eyes of Californians."—Los Angeles *Herald and Express*, January 18.

ITEM XXVI

C.I.O. Sponsors Health Bill; Will Seek Vote of People at General Election If Not Passed By California Legislature

Sacramento, Jan. 19.—(AP.)—The California Council of the C.I.O. announced today it will seek a vote of the people at the general election in 1946 if the present Legislature fails to approve its compulsory health insurance program "or a similar bill."

Mervyn Rathborne, secretary-treasurer of the labor organization, declared the C.I.O. backed legislation will be introduced in the Assembly Monday by Assemblyman Vincent Thomas, San Pedro Democrat.

If the measure or one like it fails of passage, Rathborne said, the C.I.O. will join with other groups to sponsor an initiative.

The C.I.O. program, announced just before both houses adjourned for the weekend, attracted particular attention due to speculation over how it will compare with the final draft of Governor Warren's measure to be introduced next week.

* * *

Rathborne outlined provisions of the Thomas legislation as follows:

Persons Included—All persons eligible for unemployment insurance, all State, county and municipal employees, their spouses and dependent children under 18; recipients of State and public assistance. The Federal Government could include its employees and public assistance recipients if it desired. Procedures would be developed to include farmers, farm workers and self-employed persons now excluded from unemployment insurance benefits.

Financing—A 3 per cent payroll tax to which employer and employee would contribute equally on the first $5,000 of annual income.

When Operative—Tax collections to start July 1 of this year. Benefit payments to start July 1, 1946.

Guaranteed Services—"All necessary medical care for each illness or injury" and not less than 21 days hospitalization for each illness when necessary, plus x-rays and other laboratory services. Oral surgery to be performed by a dentist or physician.

Administration—General policy fixed by a commission appointed by the Governor and consisting of representatives of employers, organized labor, farmers and the medical profession. The Governor would appoint a layman as executive director on nomination by the commission. "A highly qualified physician would be medical director with complete authority in all matters strictly professional in nature."

Patient Relations—Doctors would be paid a stated sum per patient per year. Individuals would have a choice of doctors and doctors could reject patients. Patients could change doctors each three months.

* * *

With the Senate voting to end the first half of its session a week from today and reconvene on March 5, legislators hastened today to get their measures into final shape. . . .—San Jose *Mercury-Herald*, January 20.

ITEM XXVII

C.I.O. Council Comments on Its Health Bill

Sacramento, Jan. 19.—(UP.)—The executive board of the California C.I.O. Council today told the State legislature to pass a compulsory health insurance bill "or else."

Mervyn Rathbone, secretary-treasurer of the council, said a bill entitled "the people's health act" will demand attention in the assembly Monday, January 21. It is sponsored by Representative Vincent Thomas, D., San Pedro.

If the legislature fails to pass the act or a similar bill, the C.I.O. intends to spearhead a movement to get it on the 1946 ballot as an initiative measure, Rathbone said. . . .—Los Angeles *Daily News*, January 20.

ITEM XXVIII

C.I.O. to Offer Public Health Bill for State of California

Sacramento.—The first public health insurance bill in opposition to Governor Warren's forthcoming proposals will be offered to the Legislature Monday, the California C.I.O. Council announced on January 19.

Attached to the announcement was a statement that the executive board of the C.I.O. Council has served notice that if the Legislature doesn't pass the People's Health Act or a similar bill, the C.I.O. will join with other groups to try for enough signatures to put such a measure on the next general election ballot.

C.I.O. Bill

Much of the C.I.O. bill is substantially or entirely similar to Warren's. Principal differences are:

Benefits in the way of medical care would begin July 1, 1946, instead of January 1, 1947.

Payroll contributions (1½ per cent by both employer and employee, as in the Warren bill) would be levied on a maximum salary of $5,000 instead of $4,000.

The fee schedule system of compensating doctors would apply only when "special medical benefits" are given. All other benefits, including hospitalization and laboratory, would be on a per capita basis.

A California Health Insurance Committee of nine appointed by the Governor would administer the act. The committee would be composed of two from the employer group, two from unions, two from the medical profession, two from agriculture and one from the general public. The majority of employees in the State, those not belonging to unions, would contribute most of the funds, but they would be without representation on the committee.

Assemblyman Vincent Thomas of San Pedro will introduce the measure. . . .—Chester G. Hanson, Los Angeles Times Representative at Sacramento, in Los Angeles *Times*, January 20.

ITEM XXIX

Health Bill to Exempt Religious Objectors

Christian Scientists, Others Would Not Be Compelled to Carry Insurance

Examiner Bureau, Sacramento, Jan. 20.—The compulsory health insurance bill to be introduced in the legislature Wednesday under sponsorship of the Administration will contain a provision exempting persons having religious scruples against participation in such a program, Governor Earl Warren disclosed today.

The Governor said he knew of no religious group which would be likely to object to participation, other than members of the Christian Science Church. The exemption, he explained, would be granted by the administrative agency, upon the filing of an affidavit by the objector.

"He would then be automatically exempted from the system," Warren said.

Religious Liberty

"We must include such a provision," the Governor added, "to protect religious liberty, which is a right guaranteed by the Constitution. I don't believe many people will make such an affidavit unless they actually have the scruples, but certainly, when people have certain religious beliefs, they should not be compelled, against those beliefs, to contribute to a cause opposed to them."

* * *

The Governor at his press conference asserted he believed the C.I.O. health insurance bill to be introduced Monday was "sound in principle," although he did not agree with the system of paying doctors proposed by the C.I.O. The Warren plan is based on the "fixed fee" system. The C.I.O. bill would pay a physician so much a month, a quarter, or a year for each patient under his care.

"There are many other details which differ," the Governor said. "But I am extremely hopeful that out of the two bills and any others that may be introduced, the Legislature will be able to write a real health insurance bill that will serve the needs of the public."

Osteopaths

At least 80 per cent of the osteopaths in the State will participate in the system, Warren said. Out of 2,000 osteopathic practitioners, about 1,600 are licensed as physicians and surgeons and will, therefore, be eligible under the proposed bill. . . . —R. W. Jimerson in San Francisco *Examiner*, January 21.

ITEM XXX

Medical Care Bills Will Go to Public Health Committee

Examiner Bureau, Sacramento, Jan. 22.—After much behind-the-scenes deliberation, members of the Warren administration and Assembly members favorable to compulsory health insurance have decided to refer all "prepaid medical care" bills to the committee on public health. . . .

* * *

The C.I.O. bill was introduced late today by Assemblyman Vincent Thomas of San Pedro and referred by Lyon without comment or objection to the health committee.

* * *

The public health committee headed by Fred F. Kraft (Republican) of San Diego, consists of 13 members, eight of whom are Democrats. The Democrats are generally regarded as friendly to a compulsory health insurance program, which means that the Democratic majority on the public health committee may be expected to give the bill a "do pass" recommendation. . . .—Los Angeles *Examiner*, January 23.

ITEM XXXI

Re: Report on Conference Between Governor Warren and Dr. Philip K. Gilman

(COPY)

San Francisco, January 24, 1945.

Mr. Larry Fanning,
Managing Editor,
San Francisco *Chronicle*,
San Francisco, California

Dear Mr. Fanning:

Today's *Chronicle* of Wednesday, January 24th, on the first page, contains a Sacramento dispatch from your political editor, Mr. Earl C. Behrens, in which appears a statement printed in bold face type, in which my name is mentioned.

The statement concerning my conference with Governor Warren reads thus: " . . . *Dr. Gilman's conference with Warren today was considered highly significant. It was indicative that there will be a split among the doctors over the action of their State Association.*"

Mr. Behrens' statement is in error. Mr. Behrens spoke to me as I left the conference with Governor Warren, and I told him I had seen Governor Warren at the Governor's request, but only as a private citizen, and not in any official capacity. The conference was arranged through State Health Director Halverson, who was informed that I could only see the Governor at this time as a citizen, and not as a representative of the California Medical Association.

The dispatch sent in by Mr. Behrens has placed me in an embarrassing position and I hope *The Chronicle* will make proper correction and also take steps to prevent a repetition of such errors. My conversation with Mr. Behrens should have left no doubt concerning the capacity in which I responded to Governor Warren's request for a conference.

Very truly yours,
(Signed) PHILIP K. GILMAN, M. D.

(Note. See also Item XLVI on Page 83.)

ITEM XXXII

Governor Warren Summarizes Conditions, Benefits of His Compulsory Medical Plan

Sacramento, Jan. 23—Governor Warren tonight summarized the highlights of his proposed compulsory health insurance bill as follows:

1. *Persons covered by the act.*

All private and public employees and their dependents, exceptions thereto being those classes not covered by the California Unemployment Insurance Act. These exceptions may come into the system on a voluntary basis, consent being required by both employer and employee.

2. *Contributions to be paid.*

Three per cent of salary or income up to $4,000, 1½ per cent paid by employer, 1½ per cent by employee; self-employed paying full 3 per cent. Entire collection to be handled by Employment Stabilization Commission along with administration of Unemployment Insurance Act.

3. *Benefits to be received.*

Prepaid medical care including specialist services such as surgery, etc., hospitalization where necessary, 21 days for each separate illness; drugs and other supplies during hospitalization. Dental services to be limited to extractions, surgery, treatment of infection, etc.

4. *Professional service.*

To be rendered by licensed physicians and surgeons (and osteopathic physicians and surgeons), and licensed dentists. Patient is insured free choice of doctor by fee system for compensation which contemplates payment to physician upon his rendering a proper statement to the

authority. No licensed physician or dentist may be denied registration except upon a hearing by a professional committee.

5. *Exceptions.*

Those who by religious belief do not desire the benefits from the act are exempt.

6. *Administration.*

Authority of 11 members. Three from employers; three from employees; three medical men, one of whom must have hospital management connection; one dentist, and the director of public health. Manager of system to be appointed by the Governor for a term of four years on recommendation of commission to operate under the direction of the authority.—San Francisco *Chronicle*, January 24.

ITEM XXXIII

California League of Women Voters Favors Health Insurance

State President Says No Specific Program Indorsed

Sacramento, Jan. 23. (AP)—Mrs. James G. Scarborough of Los Angeles, president of the California League of Women Voters, today announced that the league favors a compulsory health insurance program.

She said the league has not indorsed any particular program but favors a plan "based on principles and administrative practices which experience has proved to be sound."

Legislation Sought

The league is also supporting a Statewide mental hygiene plan, as well as "a program aimed at the prevention of mental illness," Mrs. Scarborough said.

Other legislation supported by the organization, which claims from 3 000 to 4 000 members in California, includes: . . . —Los Angeles *Times*, January 24, 1945.

ITEM XXXIV

Legislature Receives Governor's Health Insurance Bill

Governor Warren Will Press for Quick Passage; Full Details Outlined

Examiner Bureau, Sacramento, Jan. 23.—Governor Earl Warren tonight made public the major provisions of the "prepaid health service act" which will be introduced in the Legislature tomorrow and pressed for passage with all the force which the Warren administration can muster.

At the same time, Assemblyman Albert C. Wollenberg, who will handle the bill in the Lower House, declared strenuous opposition to proposals for creation of a special joint interim committee to investigate compulsory health insurance and then report back to the Legislature.

"Such a committee could stall health insurance legislation interminably, with the result that no bill of any sort on medical service could come out of this session," Wollenberg said. "That is the danger of the whole interim committee idea. We want health insurance acted upon at this session."

Points Outlined

The bill will be introduced by Wollenberg and others in the Assembly, with Senator Byrl Salsman and others sponsoring it in the Upper House.

Governor Warren tonight released without comment a digest covering the main points of the program. . . .

* * *

Although the bill will be introduced simultaneously in both houses, it is expected that the strategy will be to start action in the Assembly. It will be referred by Speaker Charles Lyon to the Public Health Committee, headed by Assemblyman Fred Kraft, San Diego Republican.

Kraft is also author of the resolution providing a joint interim committee to investigate health insurance, to which Wollenberg has announced opposition. Wollenberg said he had no objection, however, if the standing public health committees of both houses should get together during the February recess and collect "all the facts they want."—R. W. Jimerson in San Francisco *Examiner*, January 24.

ITEM XXXV

C.M.A. Invites Group Leaders to Discuss Health Plans

Statewide Conference Sponsored by California Medical Association

Prepaid health care plans now before the legislature will be discussed January 25 at a Sutter Club meeting in Sacramento of representatives of medicine, labor, industry, agriculture and government, Dr. Lowell S. Goin, president of the California Medical Association, announced yesterday.

Organizations who will send representatives to the meeting include the American Federation of Labor, C.I.O., Railroad Brotherhoods, Farm Bureau, State Grange, Associated Farmers, California State Chamber of Commerce, California Manufacturers' Association and the Merchants and Manufacturers' Association.

Governor Warren will attend, along with Lt. Gov. Frederick Houser, Attorney General Robert W. Kenny, Senator Jerrold L. Seawell of Roseville and Assemblymen Charles W. Lyon, Thomas A. Maloney, Sam L. Collins and Alfred W. Robertson.

Medical organizations invited to the session include the Association of California Hospitals, California State Dental Association, Southern California State Dental Association, California Pharmaceutical Association and the California Medical Association.

Proposed by the California Medical Association, the meeting was called to "start the ball rolling toward a sound, orderly and mutually acceptable plan for meeting the health needs of the people of California," Dr. Goin said.—San Francisco *Examiner*, January 24.

ITEM XXXVI

Basic Medical Services Outlined in Governor Warren's Health Bill

Examiner Bureau, Sacramento, Jan. 24.—Basic medical services provided under the prepaid medical care program sponsored by Governor Earl Warren, are enumerated in the bill introduced today in the California legislature.

Individuals under the proposed State system, the bill asserts, are entitled to "general practitioner services rendered by a physician or surgeon licensed in California, whenever such services are required by the standards of good medical practice for preventive, diagnostic, therapeutic or other medical treatment or care."

"These general services may be performed at the physician's office, or in a hospital or clinic," or anywhere else in California "in accordance with the standard of medical practice in the community in which the service is rendered."

In addition, the bill provides the following "basic services"—

Consultation and specialist services in addition to those of the general practitioner.

Laboratory and x-ray services.

Necessary hospitalization, excluding ambulance service, for not more than twenty-one days a year for each separate and distinct illness or injury.

Drugs, medicines and biologics, bandages, splints, and other supplies prescribed by the attending physician and

surgeon. Drugs other than preventive biologics are not included except when used in course of treatment in a hospital.

Certificate Required

Such general nursing service as is afforded by the hospital in which treatment is given, but not private or special nursing service.

Dental services "for the extraction of teeth, and for treatment of acute infections of the teeth, gums, alveolar processes and the bone adjacent thereto, or fractures of the jaw."

With the exception of these dental services and the "general practitioner" services first mentioned, all the other services "shall be furnished only upon the certificate of the general practitioner or specialist to whom the patient is referred." Presumably dental fillings and bridges would not be included.

Basic services are to be furnished for not more than one year for any one illness or injury, and will be provided for "tuberculosis and mental infirmities or disorders" only up to the time of diagnosis of such conditions.

Provision is made for amendment of these basic service provisions by a two-thirds vote of the eleven man authority which will administer the prepaid medical service system. The Governor may suspend the operation of any such rule or regulation in his own discretion. Except for modification of the basic services enumerated in the bill, the authority may adopt rules and regulations by mere majority vote of its members.

Increased Service

When the financial condition of the Health Service Fund warrants, the bill sanctions extension of service to provide one or more of the following: Increase of hospitalization period, additional drugs, additional medical or dental services, optometrical services.

Administration of the system will be in the hands of the California Health Service Authority, which will function with the Department of Public Health. One of the eleven members of the authority will be the State director of public health, and the Governor will appoint the other ten for four year terms. Salaries of the members will be $25 a day while attending meetings, plus their actual expenses. The Governor will designate the chairman.

The authority is to consist of three representatives of employers, including one employer of agricultural labor; three employee representatives, two from organized labor and one public employee; three licensed physicians, one of whom is experienced in hospital management, and one dentist.

Except for the collection of contributions from employers and employees, on the basis of 1½ per cent from each on salaries up to $4,000, all details will be administered by the authority. Collections will be handled by the Employment Stabilization Commission, which already collect unemployment insurance funds in California.

The authority's first duty will be to set up rules and regulations and fix fees to be paid for all health services furnished under the act. The authority need not make these charges uniform throughout the State.

Broad powers are given the authority in fields allied to health service. It may investigate hospitals, groups of registrants (banded together in various health services) employers and fraternal or charitable or other nonprofit health service organizations which may enter contractual relations with the State service.

The State treasury is pledged to assure the operation of the health service system until June, 1949. In a final section, the bill pledges the "faith and credit of the State," and adds:

"It is the intention and purpose of the legislature and Governor of this State that, in the event the funds herein provided are insufficient to accomplish this operation, such additional funds shall be provided as may be necessary, to the end that the health and safety of the people of the State be properly and adequately safeguarded."—San Francisco *Examiner*, January 25.

ITEM XXXVII

"U. S. and California Health Plans Need Not Conflict"

Sacramento. Jan. 25.—No conflict need arise between a State compulsory health insurance plan, and a Federal plan, should Congress set up such a program at the same time that the Legislature does so.

This is the opinion of Governor Warren's advisers, the understanding of the C.I.O., who introduced a health insurance bill of their own, and the advice of William Green, A.F.L. head, to state A.F.L. locals.

State officials are relying on the Wagner bill now before Congress, to provide for the negotiation of contracts with the surgeon general by any state for "agreements or coöperative working arrangements . . . to utilize State services and facilities and to pay fair, reasonable and equitable compensation for such services or facilities. . . ."

It is understood here that any political subdivision of a State, any "appropriate public agency" or even private agencies and institutions may make the same sort of contracts, under the Federal proposals. The Social Security Board has the power to approve the arrangements. But money paid under these circumstances would be reimbursed from the national "trust fund."

This possibility has been kept in mind by State officials during the bill-drafting process. They consider the right to contract would neatly mesh the two systems, and yet preserve for California greater local autonomy in managing the health insurance program.

* * *

The Sacramento dinner tonight (January 25) to which officials of the California Medical Association have invited proponents of compulsory health insurance does not represent the beginning of a concession, according to Dr. Chester L. Cooley, secretary of the San Francisco County Medical Society.

The meeting carries out a command of the doctors' House of Delegates "to meet with the leaders of other groups," he and other doctors say. But it is "no retrenchment."

Both the "compulsion" feature of proposed medical legislation, and control by a Government board are strongly objected to by the doctors. They argue it would make medicine the victim of politics "even without calling in State medicine." . . .

Meanwhile, Sacramento became a sudden attraction for the medical profession. Members of the Legislature introduced to their houses numerous medical men, visiting constituents. Requests for copies of Governor Warren's health bill mounted beyond 1,000 before it had ever been published.

The C.I.O. health insurance bill is AB No. 449. Any citizen may write the State Printer for one free copy.—San Francisco *News*, January 25.

ITEM XXXVIII

Health Service Bill Given to Legislature by Governor Warren

Hot Fight Seen on Warren Proposal

Examiner Bureau, Sacramento, Jan. 24.—Under the joint sponsorship of a group of both Republicans and Democrats, Governor Earl Warren's "Prepaid Health

Service" bill, setting up a system of compulsory health insurance in California, reached the State legislature today.

Signers of the bill introduced in the Lower House by Assemblyman Albert C. Wollenberg, Republican, San Francisco, included five Democrats and four Republicans. They were:

Democrats: Thomas Doyle, Los Angeles; Ralph M. Brown, Modesto; Francis Dunn, Jr., Oakland; Carl Fletcher, Long Beach, and Edward M. Gaffney, San Francisco. Republicans: Wollenberg; Walter J. Fourt, Ventura; John C. Lyons and Frank J. Waters, Los Angeles.

Difficulties Ahead

Senator Byrl Salsman, Republican of Palo Alto, introduced the bill in the Upper House. Coauthors were Senators H. E. Dillinger of Placerville and John F. Shelley of San Francisco.

The bill was referred to the senate committee on government efficiency and economy, which in the opinion of many observers means that compulsory health insurance will have a hard row to hoe. The eleven man committee is composed of veteran legislators, most of them conservative in makeup and with vast reserves of sales resistance. Chairman of the committee is Senator Ralph E. Swing, Republican of San Bernardino, with Harold Powers, Republican of Eagle Rock, vice chairman.

To Meet Governor

The assignment to the Governmental Efficiency Committee was made by the Senate Rules Committee, of which Salsman is a member. Although he had hoped for reference to the committee on social welfare, Salsman said the assignment ordered was "fair" and in line with precedent.

Swing immediately contacted Governor Warren and arranged for the committee to meet with the Governor late tomorrow, to learn Warren's desires with respect to handling of the measure.

The assembly measure was referred by Speaker Charles W. Lyon to the public health committee, headed by Fred F. Kraft, Republican of San Diego. Simultaneously Kraft dropped plans for a joint interim committee to study and "investigate" the whole subject of health insurance. . . .—R. W. Jimerson, San Francisco *Examiner*, January 25.

ITEM XXXIX

Keep Health Insurance Flexible

State Senator Byrl Salsman, in introducing Governor Warren's compulsory health insurance bill, said three alternatives are before the people of California:

(1) To enact the Governor's bill; (2) to have to vote later on an inflexible and possibly imperfect constitutional amendment; or (3) to have a Federal public health system imposed, with accompanying expansion of Washington bureaucracy.

We believe there is another that Mr. Salsman overlooked. That is passage of the Governor's bill so amended and confused as to make it entirely ineffective, thereby dooming the plan to failure. Opponents may attempt to kill it by that means.

Legislators who truly favor the principle of public health insurance should keep one aim uppermost. That is to make the measure as simple as possible with much of the administration left to the discretion of the commission. They should bear in mind that it is to be a great social experiment and that much can be learned only by experience. If they try to set up hard and fast rules in the law for all theoretical contingencies they will come out with an entirely unworkable system.

To be efficient in the formative period the plan must be flexible. When unanticipated conditions arise there must be leeway to meet them by prompt administrative action before they can bog down the whole structure. Gradually, as experience and practice disclose the weak spots they can be strengthened by rules and ultimately, perhaps, by remedial amendments of the law.

When the San Francisco Municipal Employees Health Plan first began operation it was threatened with total collapse by the demands made upon it. But regulations were adopted to meet each difficulty until a reasonable working basis was found. Since that time it has functioned with notable success.

The State plan will have to go through the same shaking down process. The Governor and those legislators he is depending upon to secure his bill's passage should make due allowance for this realistic circumstance.—Editorial in San Francisco *News*, January 25.

ITEM XL

California Medical Association Offers State Health Plan

Bill in Direct Opposition to Governor Warren's Proposal

Examiner Bureau, Sacramento, Jan. 25.—Flames of controversy over State health insurance sprang higher today with introduction of a bill sponsored by the California Medical Association in direct opposition to Governor Earl Warren's compulsory prepaid medical care plan, to be paid for by employer-employee contributions of 1½ per cent each.

* * *

The doctors' legislation provides for a reduction of an employee's contribution to unemployment taxes, now 1 per cent on the first $3,000 of annual income, by 15 per cent if he enrolls in a nonprofit hospital care plan, by 35 per cent if in a medical care plan and by 50 per cent if he enrolls in a plan combining both medical and hospital care.

* * *

No new taxes would be levied on the employee or employer.

Pointing out the unemployment insurance fund now holds more than $622,000,000, the medical association declared:

"The only way an employee can draw benefits under the present law is by being unemployed through being dismissed from employment. This bill would give employees a chance to draw benefits when they are hospitalized and are suffering from the dual burden of not drawing wages and carrying hospital costs simultaneously."

Assemblyman Sam L. Collins of Fullerton, G.O.P. floor leader, introduced the bill, which amends the Unemployment Insurance Act into a Social Insurance Act. Other developments were:

1. Assemblyman Jack Massion (Democrat), Los Angeles, said he, too, will introduce a measure that is sponsored "by the people of the State of California." It will provide insurance for everybody and in effect, it was understood, will be socialized medicine.

2. Administration supporters were opposing plans to require that the Assembly's standing public health committee, to which the Governor's bill has been referred, report to the Legislature by April 15 with recommendations on health insurance, contending such an unprecedented stipulation endangers chances of some sort of legislation at this session.

3. Preparing for public hearings during the February recess, the Assembly body sought a $5,000 appropriation and the Senate's governmental efficiency committee asked $2,000. Each apparently sought independent control over

the hearings, but they probably will meet jointly.

4. Governor Warren met late today with the upper chamber group, headed by Senator Ralph Swing (Republican), San Bernardino, to learn his wishes on procedure in handling his bill.

Despite administration opposition, however, the Assembly voted the April 15 deadline for a report by the public health committee. The fight against it was based on the argument that the committee could come in on April 15, contend it had not had sufficient time and delay reporting until after the Legislature adjourns.—Carl Greenberg in Los Angeles *Examiner*, January 26.

ITEM XLI

Legislature Gets State Medical Association's Health Measure

Sacramento, Jan. 25.—(AP.)—Governor Warren's compulsory health-insurance program ran into new competition on January 25 as the California Medical Association offered a rival measure to encourage voluntary participation in nonprofit medical and hospital plans.

While the medical association has openly opposed both the Warren and C.I.O.-sponsored legislation, legislators were surprised when the Association's bill was presented by Assemblyman Sam Collins of Fullerton, Republican floor leader in the lower house, and seven other Republicans.

* * *

As the Assembly concerned itself with health insurance and a flood of other measures were put in for consideration, the State Senate adopted a resolution calling upon Congress to make military training compulsory for the nation's youth when peace comes.

* * *

No Taxes Asked

The medical association plan not only dispenses with proposed new pay-roll taxes of 3 per cent shared equally by employer and employee as recommended by Warren and the C.I.O., but proposes to give unemployment insurance credits to those entering voluntary systems.

Employees enrolled in a hospital plan would get a 15 per cent unemployment insurance credit and those in a medical plan 35 per cent, with a 50 per cent credit if in both.

* * *

Governor Warren in announcing his compulsory program praised voluntary associations now in operation, but said they have failed to reach sufficient persons and a compulsory system is necessary to raise California health standards. . . .

Differ on Procedure

How the Legislature will proceed in hearing health insurance proposals remained in doubt. The Assembly approved a resolution calling for committees of the two houses to hold hearings during the February recess and report not later than April 15.

But Senator Ralph Swing, San Bernardino, who would head the Senate committee, said he and other Senators had called on Governor Warren and informed him they prefer to start hearings when the Legislature reconvenes. Swing said recess sessions would not develop information for the entire legislative membership.—Los Angeles *Times*, January 26.

ITEM XLII

Two More State Health Bills Introduced

"Voluntary" Insurance Measure, Backed by Medical Association, and Third Type System Offered

Examiner Bureau, Sacramento, Jan. 25.—Compulsory health insurance continued to hold the legislative spotlight today, as lawmakers speeded up the introduction of bills in an attempt to adjourn the January half of the 1945 regular session not later than Sunday night, January 28.

Developments included:

1. Assemblyman Sam L. Collins, Republican floor leader, and six others introduced the voluntary health insurance bill officially sponsored by the California Medical Association. Criticizing "State control of medicine," the bill has no compulsory features, but "establishes a system encouraging the people of this State to become enrolled in nonprofit medical, surgical or hospital prepayment plans" such as those now available to any employed group.

2. Another bill setting up a different type of State sponsored medical care program was offered by Assemblyman Jack Massion, Democrat, of Los Angeles.

3. Assembly and Senate groups were jockeying politely for advantage in arranging for committee hearings during the February constitutional recess. Indications were that the assembly standing committee on public health, and the Senate standing committee on governmental efficiency would hold a series of joint sessions.

4. Legislative bill room attaches reported demand for copies of the administration bill, printed as a rush order, is likely to break all records, indicating tremendous public interest in the subject.

5. The Senate committee, headed by Senator Ralph Swing, Republican, San Bernardino, met with Governor Warren late today to ascertain his wishes as to procedure in handling the bill.

6. Legislators, State officials, doctors, farm, labor, and industrial representatives met at the Sutter Club in Sacramento, on January 25, for an informal session at which views were exchanged on the subject of health insurance in general. The meeting was sponsored by Dr. Lowell S. Goin, president of the California Medical Association. . . . —R. W. Jimerson, in San Francisco *Examiner*, January 26.

ITEM XLIII

Doctors of California Outline Their New Health Plan

C.M.A. Substitute Introduced for Governor's Bill

Examiner Bureau, Sacramento, Jan. 25.—Assemblyman Sam L. Collins, Republican floor leader, today introduced the "voluntary" health insurance bill sponsored by the California Medical Association, as a substitute for the compulsory program advocated by Governor Earl Warren, and embodied in bills introduced on January 24.

The Collins bill is in the form of *amendments to the Unemployment Insurance Act, which is changed to the "Social Insurance Act,"* and enlarged to "establish a system encouraging the people of this State to become enrolled in nonprofit medical, surgical or hospital prepayment plans."

C.M.A. Bill Hits State Control

Declaring that "at the present time, State control of medicine would be a catastrophe to the health and welfare of the people of this State," the bill contains a detailed statement of "public policy relating to sickness." This statement would guide the administration and the courts in the event that the bill should become a law.

The C.M.A. bill concedes that there is a definite problem with respect to the cost of medical care, among the middle income groups. The problem, it is stated, is to distribute these costs "and yet at the same time preserve those forces in the field of medicine and surgery that have resulted in the quality of medical care in this State being as high or higher than anywhere in the world."

These forces will be injured by "any State action

regimenting and stifling the competitive spirit," the bill asserts. Particularly at present, due to war conditions and absence of a third of the total number of physicians and surgeons, the proposed change to a compulsory care plan would "necessarily cause a complete breakdown of medical care in California."

State Can Help

Without attempting to solve the problem by "a complete system of State control over medical services," the bill continues, "it does not follow that the State is helpless to aid and assist those in need of help."

* * *

The bill provides no new taxes on employer or employee, but, instead, provides a reduction in taxes for employees who protect their own health through joining voluntary prepayment medical or hospital plans. In effect, the Medical Association summary points out, this is an indirect State subsidy.

* * *

The system would operate within the present State unemployment tax structure. Employees now contribute 1 per cent of the first $3,000 of annual income. Under this bill, the contribution would be reduced 15 per cent on evidence that the employee was enrolled in a nonprofit hospital care plan meeting State standards.

* * *

If he enrolled in an approved medical care nonprofit plan, his contribution would be reduced 35 per cent. If enrolled in both a medical and hospital plan, the reduction would be 50 per cent.

* * *

Employers would be allowed to make pay roll deductions for payment of dues or premiums to these approved medcial and hospital prepayment plans. Exceptions would be made for employees who state their objections in writing.

* * *

Regular unemployment benefits would be paid, under the Collins bill, to employees who are hospitalized for illness and who are not covered by an approved nonprofit plan.

The C.M.A. bill says, of these provisions:

"These approaches to the problem aid in mass distribution of medical costs and yet do not intrefere with good medical practice."—San Francisco *Examiner*, January 26.

ITEM XLIV

California Medical Association: Digest of C.M.A. Bill (A.B. 1230)

Major Features

1. Provides for reduction in employee contributions to State unemployment taxes. Employee now contributes 1 per cent of first $3,000 of annual income. Under this bill the employee's contribution would be reduced by 15 per cent if he showed evidence of being enrolled in a nonprofit hospital care plan which met State standards of approval. If he is enrolled in an approved medical care nonprofit plan, his contribution would be reduced by 35 per cent. If enrolled in an approved medical and hospital care plan, his contribution would be reduced by 50 per cent.

2. Allows employers to make payroll deductions for all employees for payment of dues or premiums for approved hospital, medical or surgical prepayment plans. Exceptions under this rule would be made for employees who state in writing their objections to inclusion in such plans. This feature follows the election procedure of the National Labor Relations Act, providing that majority of employees may bind all employees in joining approved nonprofit plans.

3. Provides that regular unemployment benefits will be paid to employees who are hospitalized for illness and who are not covered for hospitalization by an approved nonprofit plan.

* * *

This bill will operate within the present tax structure. *No new taxes on employer or employee.* Instead, a reduction in taxes (indirect State subsidy) for employees who protect their own health through joining voluntary prepayment medical and/or hospital plans.

California is one of four states which impose a 1 per cent payroll tax on employees for unemployment purposes. Only way an employee can draw benefits under present law is by being unemployed through being dismissed from employment. This bill would give employees a chance to draw benefits when they are hospitalized and are suffering from dual burden of not drawing wages and carrying hospital costs simultaneously.

This bill is proposed as a means of fostering and extending the voluntary principle in health care—rather than the compulsory systems proposed by others.

ITEM XLV

Health Insurance As Proposed in 1933

We have come across an interesting reprint of a State document. It is entitled "Report of Senate Committee to Investigate the Advisability of a Health Insurance Act." dated April 19, 1933. Following is an excerpt:

"It is the duty of the Legislature to meet the human needs of today and tomorrow, to give the ordinary man and woman all the health protection that science and a progressive State can give. The right to pursue and obtain happiness is guaranteed to all by the fundamental law of the State. This right, by its very nature, includes the right to health protection and adequate care to restore and preserve health. . . .

We believe that there is a lesson in these words. In 1957 we would not like to dig out a similar futile committee report on health insurance requirements made in 1945.—Editorial in San Francisco *Chronicle*, January 26.

ITEM XLVI

Health Care Discussed by State Leaders at Dinner Sponsored by C.M.A.

Sacramento, Jan. 25.—Governor Warren's battle for the enactment of a pre-paid medical care in California under a compulsory health insurance system, produced major developments on January 24.

Tonight, about 30 leaders in government, agriculture, business, labor and the medical allied professions, met at a Sutter Club conference to discuss the health insurance question.

The dinner was called by the California Medical Association which today, through Assemblyman Sam L. Collins, Republican, Fullerton, and others introduced a bill proposing a voluntary rather than a compulsory health insurance system.

Governor Warren was unable to attend the dinner but was represented by one of his secretaries, Beach Veasy.

The majority of the speakers urged that the Legislature act carefully and slowly on health legislation.

Further meetings of the same group will be held from time to time.

* * *

Discussion of the general problem rather than any of the specific bills was the reason for meeting. The California Medical Association, through its House of Delegates, has gone on record in opposition to the Governor's program, or any compulsory system. . . .

* * *

The bill presented this afternoon by the California Medical Association declares it proposes "fostering and

extending the voluntary principle in health care—rather than the compulsory systems proposed by the Governor or the C.I.O. and others.

Digest of C.M.A. Bill

The doctors' bill would operate within the present tax structure, according to the release from the association.

A digest of the bill by the association's representatives states the following main provisions:

1. Provides for reduction in employee contributions to State unemployment taxes. Employee now contributes 1 per cent of first $3,000 of annual income. Under this bill employees' contribution would be reduced by 15 per cent if he showed evidence of being enrolled in a nonprofit hospital care plan which met State standards of approval. If he is enrolled in an approved medical care nonprofit plan, his contribution would be reduced by 35 per cent. If enrolled in an approved medical and hospital care plan, his contribution would be reduced 50 per cent.

2. Allows employers to make pay roll deductions for all employees for payment of dues or premiums for approved hospital, medical or surgical prepayment plans. Exceptions under this rule would be made for employees who state in writing their objections to inclusion in such plans. This feature follows the election procedure of the National Labor Relations Act, providing that majority of employees may bind all employees in joining approved nonprofit plans.

3. Provides that regular unemployment benefits will be paid to employees who are hospitalized for illness and who are not covered for hospitalization by an approved nonprofit plan.

* * *

As Private Citizen

The dinner meeting tonight was presided over by Dr. Goin, president of the California Medical Association. Dr. Gilman, president-elect, also was present.

Dr. Gilman conferred with Governor Warren Tuesday. He has asked that the writer make it clear that his meeting with the Governor was in his capacity as a private citizen.

Dr. Gilman also took umbrage at the writer's conclusion that his visit "was highly significant" and was "indicative that there will be a split among the doctors over the action of their State association." (Note. See Item XXXI on page 78.)

Because of other information, the writer believed the visit to have been significant not knowing at the time that Gilman had been appearing in his private capacity or that he had been invited to see the Governor by State Director of Public Health Halverson.

The writer had no desire to place Dr. Gilman in an embarrassing position but there can be no denying the fact there is a split among the doctors over health insurance. . . .

* * *

Tonight's dinner was the occasion for a general airing of views on the entire health problem.

Included among those invited to the dinner conference were Governor Warren, Lieutenant Governor Houser, Speaker Lyon of the Assembly, Speaker Pro Tem Thomas A. Maloney, Assemblyman Sam L. Collins, Assemblyman Alfred W. Robertson, Senator Jerrold L. Seawell; Von Elsworth, Farm Bureau Federation; George Sehlmeyer, Grange; R. E. Badger, Associated Farmers; Pat Merrick, State Chamber of Commerce; John A. Pettis, California Manufacturers' Association; J. R. Chelew, Merchant and Manufacturers; Gilford Rolland, San Francisco Employers' Council; Mervyn Rathbone, State C.I.O.; C. J. Haggerty, A.F.L.; George F. Irvine, Harry See, Railroad Brotherhoods; A. A. Aita, president, Association of California Hospitals; R. R. Schoenfeld, Southern California Dental Association; Charles F. Gray, California State Dental Association; Jess D. Hardy, California Pharmaceutical Association; Drs. Lowell S. Goin, Los Angeles; John W. Cline, San Francisco; T. Henshaw Kelly, San Francisco; John Hunton, executive secretary, C.M.A.; Ben Read, C.M.A.; Hartley Peart, San Francisco, C.M.A., attorney; Dr. Howard Hassard, San Francisco; Dr. Wilton L. Halverson, State Public Health Director, and others.—Earl C. Behrens, in San Francisco *Chronicle*, January 26.

ITEM XLVII

G.O.P. Split Looms on Health Plan

Sacramento, Jan. 26.—A Republican legislative split over compulsory health insurance, advocated by Governor Warren, was clearly indicated today by both Senate and Assembly leaders.

Lieutenant Governor Frederick F. Houser, president of the Senate, and Speaker Charles W. Lyon of the Assembly, both urged caution before adoption of any plan.

Houser raised possible objection to the payroll deduction tax to finance the system, as urged in bills by the Governor and C.I.O.

Handicap Hinted

"In the case of manufacturers," he said. "This tax would probably be added to production costs and thus be a handicap in competition with outside industry."

Lyon declared he was "bewildered" by the maze of bills introduced on the subject in wartime.

"I am far from being convinced," he added, "that there is a real need and reason for prepaid medical care at this time."

Houser's and Lyon's views were made known at a forum meeting arranged by the California Medical Association at which business management and farmer representatives protested against "compulsion" or "regimentation" in any plan, while labor men voiced strong approval of some form of health service. Governor Warren was invited but did not attend.

Dr. Goin in Chair

Dr. Lowell Goin of Los Angeles, president of the Association, who presided, denied reports of any division in the organization on the issue, or that either a majority or minority of the members favored the idea.

"We have a vital problem to consider, and are studying all phases," he explained. "But a bad solution is worse than no solution at all."

Dr. John Cline of San Francisco told the gathering that compulsory health insurance was no panacea so far as the prevention of disease is concerned. He warned that lowered standards of medical care might result under such a system. . . .

* * *

The first half of the session is due to end late on January 27. More than 2,000 bills have already been introduced, with about 1,500 more to come. . . . —James Adam, *Call-Bulletin* Political Writer in San Francisco *Call-Bulletin*, January 26.

ITEM XLVIII

Chiropractors Left Out of Warren Health Bill

Workers May Get Exemption on Pay Levy by Affidavit Stating Religious Reasons

Sacramento, Jan. 20.—Chiropractic doctors will not be included among those recognized as qualified to administer medical care under Gov. Warren's proposed health bill, it was disclosed on January 20 at the Governor's press conference.

In response to another of a series of rapid-fire ques-

tions, the Governor also said that followers of the Christian Science faith would not be required to participate in the program on the ground that religious freedom is a constitutional guarantee.

The employee who prefers chiropractic treatment for his illness cannot have such treatment paid out of the State health insurance fund to which he will be required to contribute, nor will chiropractic doctors be permitted to draw out of the fund.

Can Get Exemption

On the other hand, those employees who make an affidavit that they do not care to participate in the plan for religious reasons will be exempt from paying into the fund by way of the payroll deductions, the Governor said.

The questions and answers on this line came when the Governor was asked if he cared to comment on the compulsory health bill which the C.I.O. will have introduced in the Legislature next Monday.

Warren said he had not read the bill itself but from press reports on it he agreed with it "in principle." He was not indorsing the bill, he made it clear. His bill will differ from the union bill in many particulars. In one controversial particular it will agree.

Belong to Unions

Like the C.I.O. bill the Governor's bill will require that on the board which will administer the act the two representatives of the employees will have to belong to labor unions. In that respect it will be a "closed shop" bill as it is presented to the Legislature.

Asked why the working men and women of the State who do not belong to labor unions, constituting a majority of the workers, should not be represented on the commission, the Governor said he did not feel that stipulating that the employees' representatives on the commission should be union men was "freezing out" the non-union men.

"Those interested in organizing themselves into unions are fairly representative of the workingman," Warren contended.

Wants Fee System

It was like the Chamber of Commerce being fairly representative of the employers' group, he noted, but failed to note that the bill did not say that the employers' representative has to belong to a chamber of commerce.

Warren said he could not agree with the C.I.O. bill on its proposal to handle the patients on the capitation system, that is, the doctor furnishes the service to the patient at so much money for a given time or a per capita basis. Warren will go for the fee system because, he said, so much of the medical service must be special service, such as surgery, dental and eye care, for which a specified fee must be charged.

The Governor announced his medical bill will be ready for presentation next Wednesday. The budget will be ready Monday. Recess is hoped for next Saturday or Sunday. . . .—Chester G. Hanson, *Times* Staff Representative in Los Angeles *Times*, January 26.

ITEM XLIX

California Medical Associates Invites Representatives of Government and Other Agencies to Conference in Sacramento

Government, labor, management, agriculture, dentistry, pharmacy, hospitals and others sat down with medicine at the Sutter Club, in Sacramento, on January 25, to discuss the broad aspects of medical care. A meeting of these groups, called by the C.M.A. in conformity with the House of Delegates resolution of January 6, 1945, drew a complete attendance of all groups invited and brought requests for invitations from many others. (See January CALIFORNIA AND WESTERN MEDICINE, page 34.)

Participants in the meeting included representatives of the American Federation of Labor, the C.I.O., the Railroad Brotherhoods, California State Chamber of Commerce, Northern California Employers Council, Merchants & Manufacturers Association, California Manufacturers Association, California Farm Bureau Federation, California State Grange, Associated Farmers, Association of California Hospitals, California Pharmaceutical Association, California State Dental Association, Southern California State Dental Association, and the California Medical Association. Representing the State government were the Lieutenant Governor, the Speaker of the Assembly, the Assembly floor leader and one of the secretaries of Governor Warren.

Officers of the California Medical Association taking part in the meeting included Lowell S. Goin, C.M.A. president, John W. Cline, executive committee chairman, Dwight H. Murray, legislative chairman and several others. Doctor Goin presided.

Subject of discussion of the meeting was the broad question of health insurance, without any detailed discussion of specific health insurance bills which had just been introduced in the state Legislature. The discussion brought out the fact that the members of the Legislature present were not at all convinced of the necessity or advisability of passing compulsory health insurance legislation at this time, that the agricultural interests of the State are opposed to compulsion as a principle in health insurance and that the business interests of California are watching very carefully any proposals which might tend to increase taxes on California business.

Labor representatives presented varying views on the subject of compulsory health insurance legislation, with the C.I.O. the only labor group present which came out in favor of a compulsory system of medical care. Mr. Mervyn Rathbone, C.I.O. representative, spoke in favor of the compulsory health insurance bill sponsored by his organization, explaining that the C.I.O. did not believe that this bill represented the final answer to the problem and that it should be considered subject to proper amendments. He also expressed gratification at the gathering of the organizations represented at the meeting and asked that further meetings of this character be held.

It was agreed informally that further meetings should be held at the call of the C.M.A.

Keynote of the session was sounded by Doctor Goin, who said in his introductory remarks that the people of California are confronted with a problem in the distribution of adequate medical care, that all those groups invited to the meeting were vitally interested in the solution of this problem but that it was obvious that "a bad solution will be worse than no solution at all."

Further meetings of these organizations have not been scheduled at this writing but are expected to be called as soon as convenient for the various interested parties.

* * *

(Note. See in this series of reports, in re above, Item XXXV and Item XLIX.)

ITEM L

State Medical Care Bills

Assembly Group Plans Public Hearings on Warren's Health Insurance Measure

Sacramento, Jan. 26.—Statewide public hearings on Governor Warren's recommendation that California establish a system of compulsory health insurance will be held by the Assembly Public Health Committee during the constitutional recess of the Legislature.

The Legislature adjourns on January 27 until March 5

with the health insurance controversy the hottest issue before the lawmakers.

* * *

Hearing dates are as follows:
San Diego, February 13.
Los Angeles, February 15-16-17.
Fresno, February 28.
San Francisco, March 2-3.
Assemblyman Fred Kraft, San Diego, is chairman.

All Groups to Testify

Testimony will be taken from representatives of the California Medical Association, the C.I.O., A.F.L., Farm Bureau, Governor Warren, the dentists, chiropractors, Christian Scientists and all others interested.

* * *

Two more health insurance bills were introduced and plans were completed by the Assembly Public Health Commitee to hold public hearings on the health insurance question during the recess. Hearings will be held at San Francisco and Los Angeles.

While recognizing that his recommendation for the enactment of a compulsory health insurance act "is bound to cause a fight" in the Legislature, Governor Warren declared he was "very much encouraged because I feel the public is tremendously interested in health insurance."

Approval Cited

Warren said "any number of eminent doctors have expressed the belief I am sound in my approach to this problem and are hopeful a bill such as proposed will become operative."

* * *

Assemblyman Rosenthal, Los Angeles, proposed the identical bill which was before the Legislature in 1939. This would provide for compulsory insurance with the State contributing 1 per cent, the employer 1 per cent and the employee 1 per cent of his wages or salary. The capitation plan of paying doctors would be followed and disability benefits or hospital benefits would be provided at the choosing of the beneficiary of the system.

The State would contribute the entire cost of the health insurance system provided in the bill by Assemblyman Massion, Los Angeles. Massion's bill carries the capitation plan of paying doctors. It would be administered by a nine-member board, giving one membership to a chiropractor and one to an optometrist; two to physicians and one each to representatives of the dentists, pharmacists, hospital organizations and labor.

* * *

The Governor said he was disturbed over prospects that the Legislature might postpone action on health insurance by creating another interim committee. He said he has been informed by the Senate Governmental Efficiency Committee it would begin hearings on the several bills immediately upon reconvening of the Legislature. He said he thought the holding of public hearings such as proposed by the Assembly Public Health Committee was a good thing.

"Inasmuch as we have been studying this subject for 30 years and have had bills before the Legislature," said the Governor, "it seems to me we are now in the field of action and the people are entitled to a final determination by the Legislature at this session."

* * *

The Governor will leave for Washington Monday to appear February 5 before the Senate Foreign Relations Committee in opposition to the new water treaty with Mexico.

When he returns he said he would have before him exhaustive studies on the probable cost of the operation of his compulsory health insurance system. . . . —Earl C. Behrens, Political Editor of *The Chronicle,* in San Francisco *Chronicle,* January 27.

ITEM LI

Senator Shelley of San Francisco Proposes Sickness Unemployment Payments from Existing California Unemployment Fund

Senator William P. Rich, Yuba County, and others brought in the Governor's proposal for State regulation of private insurance companies and the fixing of premium rates.

Senator John F. Shelley, San Francisco, announced sponsorship of a measure to broaden the unemployment insurance program to permit grants of disability benefits. Under this plan, apparently similar to one now on the Rhode Island statute books, insured employees off the job because of sickness would get the same allowances to which they would be entitled if available for work but unemployed.—Sacramento *Bee,* January 27.

ITEM LII

Legislature Recess Began on January 27

The Returning State Lawmakers Face a Stormy Session Over 3,700 New Bills

Sacramento, Jan. 28.—California legislators face one of the most controversial sessions in the State's history when they reconvene here March 5 after the constitutional recess.

Among the 3,700-odd measures introduced in the Senate and the Assembly before the first half of the fifty-sixth session came to a close shortly before midnight on January 27 are proposals of far-reaching significance.

It required almost nine hours beyond the official 3 o'clock adjournment hour yesterday to complete the introduction and first reading of the titles of the 2,132 bills introduced in the Assembly and 1,253 bills in the Senate. More than 200 measures other than bills also were introduced at the session.

At the 1943 ssesion an even 3,000 bills were introduced in the first part of the legislative meeting.

Each lawmaker may present two more bills after the reconvening in March, so the total will go still higher. . . .

Chief controversy will center around Governor Warren's compulsory health insurance system proposal. Then there will be plenty of fireworks over his other recommendations, which conservative Republicans consider too "liberal" and many Democrats do not want to support because Governor Warren, a Republican, has offered them.

There was but a handful of legislators left by the time the gavel was finally dropped in the Senate by Lieutenant Governor Houser and in the Assembly by Speaker Lyon.

Slow Down

The mass of last-minute legislation slowed down preparation of bills by Fred B. Wood, State legislative counsel.

Hearings on Governor Warren's $683,710 000 State budget will be begun as soon as practical by the Assembly Ways and Means Committee, headed by Albert C. Wollenberg, San Francisco.

Public hearings on the compulsory health insurance issue will be held during February and early in March by the Assembly Public Health Committee, of which Fred Kraft, San Diego, is chairman. San Francisco hearings will be on March 2-3 and the Southern and Central California hearings during February. . . .—Earl C. Behrens in San Francisco *Chronicle,* January 29.

ITEM LIII

Labor League Gives Health Insurance Plan a Vote of Confidence

Support of the proposed California medical insurance system and of the nomination of Henry Wallace as Sec-

retary of Commerce was voted January 26 at a meeting of the United Labor League of Santa Clara County, meetings at 338 W. Santa Clara St. . . .

The league went on record as supporting the Assembly bill for a "State medical insurance system that carries two very important provisions supported by the State Federation of Labor and the California C.I.O.—capitation payment and that labor and other non-medical representation feature the administration setup."—San Jose *Mercury-Herald*, January 27.

ITEM LIV

3,385 Bills in 1945 Legislative Hopper; But Record Was 4,175 in 1939

Sacramento, Jan. 29.—The clocks in the Capitol chambers stood at 3.

That was the official hour Saturday afternoon when this first bill-introducing part of the 1945 legislative session came to a halt.

But don't let the record fool you. Real windup came eight colorful hours later. "Getting the bills in" turns out to be a pretty zany affair once the lawmakers step into that "never-never" time when the clock hands freeze to its face. . . .

And Clerk Geraldine Hadsell intoned titles hour upon hour. Midafternoon a "call of the house" was voted to hurry things. This locks in the members already present, and sends out the sergeant-at-arms to round up absentees.

"We have a lot of work to do. Let's hurry up and get out of here," admonished Mr. Lyon.

Some members read the funny papers. Others chatted in little groups on the floor. A few rushed up to the desk from time to time with a stack of bills.

"Look at this bunch," one Assemblyman remarked, flipping through a stack of 20 or more, "I haven't an idea what they are all about—just gave them to me, and there isn't time to read them."

Others hunted up co-signers. "Go on this one with me, pal. It's a good bill, really it is. . . . Here, this is that tax bill I told you about. Sign up, huh?" Sometimes it took more of a selling approach to get signers. Sometimes only a name. "Doakes is interested in this."

Not all bills are "processed" by the legislative counsel. Private lawyers work out many.

Wanted Them in Order

One man carried 40 to the desk at once. "I want to be able to find mine, all numbered one right after another."

Others picked out an even number, easy to remember, and thrust important bills in at that point for the small psychological advantage.

Night fell. "We will recess for five minutes," said Mr. Lyon. "That means be back here at 9 p.m." The fiction of preserving the 3 p. m. adjournment was being retained. Everybody—except the legislative counsel—went out to dinner.

* * *

On Friday night, January 26, only 892 bills had been introduced into the Senate; only 1,609 in the Assembly. So heavy was the tide on the last day that the total when business finally ended was 3,385 bills. Last time 3,131 came in; record high was in 1939, with 4,175. Always about 60 per cent roll in the last three days. And the rule is about 25 per cent will become law.

Only five men remained of the 80 when the last Assembly bill was in—(at 10:45 p.m. but don't tell anybody)—No. 2132, "an act pertaining to aid to the aged."

The clerk had a green all-day sucker in his mouth. He took it out, while he told reporters crowded about the desk that it "seems to be about giving 20 more bucks to folks between 60 and 65 years."

A Tie After All

Mr. Lyon, apparently unwearied, asked the five men to form a committee to advise the Senate their work was through.

They were boastful at beating the other house, but crestfallen when they passed a similar committee in the hall coming to tell them the Senate was through. It was a tie.

Next Mr. Lyon sent off his loyal five to "inform the Governor this house is concluding its business. . . . "

They returned. One took the mike in the lonely, lighted room. "Mr. Speaker," he thundered. "Your committee regrets that it cannot discharge your order. The Governor cannot be found. His door is locked. His office is dark. Why don't we all go home?"

"Why not?" said Mr. Speaker. "This house is recessed as of 3 p.m. today until March 5, at 11 a.m."—San Francisco *News*, January 29.

ITEM LV

Legislative Committees to Open Hearings; Warren Will Campaign for Health Bill

Interim Groups to Carry on Studies During Recess

Members of the State Legislature had returned to their homes on January 29 for the February constitutional recess after one of the shortest opening sessions—nineteen days—in California history. The session ended late Saturday night, after a total of 3,385 bills had been introduced.

Most of the legislators will devote all or most of their time during the recess to service on one or more of the record number of committees which will function throughout the State before the session reconvenes on March 5. . . .

* * *

Assemblyman Fred Kraft, chairman of the Assembly Public Health Committee, will bring his committee to San Francisco for public hearings on March 2 and 3. The Senate Committee on Governmental Efficiency, to which health insurance bills were referred in the Upper House, is expected to hold its San Francisco meetings somewhat earlier.

* * *

Governor Earl Warren, who has made enactment of a health insurance program his major recommendation at this legislative session, said in Sacramento yesterday that he will personally campaign in behalf of the principles embodied in the administration bill.

"I am not going to open any headquarters and I don't know just how I am going to do it," Warren said, "but I feel an obligation to put all the facts before the public and intend to do so. I hope to make all of the facts concerning the prepaid medical care available to the people of California and at the same time to show them that the administration sets up adequate machinery for attaining the desired objective."

* * *

Assemblyman Albert C. Wollenberg of San Francisco, principal author of the administration bill in the Assembly, will explain its provisions Thursday noon at a section meeting of the Commonwealth Club of California. . . .—R. W. Jimerson in San Francisco *Examiner*, January 30.

ITEM LVI

California Health Insurance Plans Debated at Town Hall Meeting in Los Angeles

The Governor's bill for prepaid medical care through compulsory State-wide insurance came in for debate yesterday before Town Hall in the Biltmore.

Albee Slade, legislative director of the Los Angeles C.I.O. Council, spoke for it or a similar plan sponsored by that labor union. Dr. Lowell S. Goin, president, California Medical Association, took the negative. Their main points:

Mr. Slade: More than one-half of the first 3,000 000 called in the draft (38 out of 100 in California) were rejected because of physical disability. Five million 4-F's is the result. Low health standards also affect war industrial output. The manpower shortage is due in good part to it. United States has a bad health record despite medical statistics to the contrary. Infant mortality and deaths over 60 are greater than in many countries of the world. The California plan does not spell socialized medicine. We want the medical profession to continue direction of public health.

Dr. Goin: It is socialized medicine, which is fundamentally un-American. If a doctor must go into a rural district where he can't make a living he must be paid by the State. Statistics are deceptive. A large part of the 4,500 000 or 5,000 000 4-F's are rejected for short-sight and other congenital defects that all the medical attention in the world could not prevent; only selective breeding could do that. Factory absenteeism in good part is due to the common cold, which cannot be prevented or cured. It is a naïve idea that if you can get people over the financial hurdles and to the doctor we will have nearly perfect health. They have had socialized medicine for many years in England and Germany but the 4-F problem or infant mortality in those countries is no better than ours.—Los Angeles *Times*, January 30.

ITEM LVII

No Recess in Health Bill Fight

Sacramento is quiet. The Capitol has been given back to the women. At least it looks like that as high-heeled stenographers and clerks suddenly become the majority in hallways and offices. The 120 legislators are home, the thrice-that-many lobbyists scattered. Even Governor Warren is away—in Washington, D.C.

But not for a second has the legislative game taken time out.

In San Francisco Assemblyman Wollenberg gave his first talk in support of the Governor's health insurance program, which shoulders high above every other item as No. 1 interest in this legislative session.

Publicity Staffs Busy

Throughout the State supporters of compulsory health insurance are chipping in funds and ideas for organized explanation of what it's about, who wants it, and why. Some question-and-answer pamphlets will be prepared, publicity men hired to make the "pro" side vocal. Those against the plan—medical and business groups in the main—reportedly already have their publicity staff at work.

The people, in other words, will get their chance this month to demonstrate favor or disfavor in a heated campaign that won't wait for the March 5 convening of the Legislature again.

* * *

Today unexpectedly strong aid rallied to Governor Warren's side on this tempestuous issue. William M. Malone, state Democratic committee chairman, voiced personal support for compulsory health insurance and predicted that "Democrats will do everything they can to help."

"Democratic Program"

"Better health protection for the people is one of the things the Democrats have sought for years," he said. "We are not going to buck compulsory health insurance now just because the spokesman for another party has advanced a principle we favor.

"I hope the Democrats in this State can help put it over."

Mr. Malone will probably discuss party support with Democrat members of the Legislature, particularly Assemblyman Robertson of Santa Barbara, Democratic floor leader, when the second part of the session begins next month.

* * *

Women's groups are getting February meetings scheduled on the health insurance question. Local members of the American Association of Social Workers will have an open forum discussion. The Northern California Union Health Committee, headed by Daniel Del Carlo, and representing the two major union groups plus the railroad brotherhoods, will have an executive meeting this week-end to decide their steps on a program they have already publicly supported.

* * *

Meanwhile, in his talk before doctors and businessmen at a St. Francis Hotel meeting yesterday Mr. Wollenberg predicted that nearly seven million, out of California's total 8½ million population, will be able to come under the health insurance setup. He expects 5½ million included on social security basis (all workers eligible to unemployment insurance plus their families) plus another million entering voluntarily. It will cost, he thinks, about $30 to $40 a year per individual to operate successfully.

ITEM LXVIII

Governor Warren's Public Health Bill Explained By Assemblyman Wollenberg

Assemblyman Outlines Warren Program at S. F. Luncheon Session; Sees Favorable Vote

The prepaid medical service bill sponsored by Governor Earl Warren was given its first public presentation yesterday, when Assemblyman Albert C. Wollenberg of San Francisco, who will handle it in the Lower House, explained the measure at a luncheon meeting attended by legislators, public officials, doctors, experts in public administration, and many others. . . .

"I look for a long and heated debate in the Legislature and throughout the State," Wollenbreg told his hearers at the St. Francis Hotel, "but I feel very definitely that legislation of this type will come out of the 1945 legislative session. The people want it—and the Legislature keeps closely in touch with what the public wants."

Most of the audience listened to Wollenberg's talk without comment, but the question period which followed showed about an even division between those who obviously favored some sort of compulsory health insurance, and those who did not. . . .

"Never in history has one single piece of legislation met the Statewide approval that this proposal has had in such a short time," Wollenberg said.

Declaring that the C.I O. will place its measure on the ballot by initiative if the Legislature fails to act this year, Wollenberg added:

"Sound judgment dictates that a new departure of this kind, untried in America, should be subject to change and control by the Legislature, rather than placed in the constitution where it cannot be amended except by another vote of the people."—R. W. Jimerson in San Francisco *Examiner*, February 2.

ITEM LIX

Cost of Governor Warren's Health Plan Figured

An estimate of the cost of Governor Warren's prepaid medical care plan was given today by Assemblyman

Albert C. Wollenberg, coauthor of the measure in the Assembly.

He said that the service would apply to between 6,000,000 and 7,000 000 Californians, who, it was figured, would contribute between $200,000,000 and $230,000,000 through a 3 per cent payroll tax.

He explained that the Legislature would be empowered to increase the tax or to provide for appropriations from the State's general fund should it become necessary to meet any deficit.

Under the Governor's plan, the State's credit is pledged to assure operation of the system until June 30, 1949. Its benefits would begin January 1, 1947, with tax collections effective six months previous.—San Francisco *Call-Bulletin*, February 2.

ITEM LX

Health Insurance—As Proposed for California

(Bulletin by California Medical Association, January 30, 1945)

Foreword.—As of January 26th a total of 13 bills had been introduced into the 56th Legislature upon the subject of Health Insurance, Health Services or closely related thereto. We understand from newspaper reports that other bills on this subject were introduced in the closing hours of the January session, but at this date have not had an opportunity to examine them.

The 13 bills are:

Senate Bill 218: (By Hatfield, Crittenden and Sutton) relating to admission to county hospitals and medical care at county expense.

Senate Bill 219: (By Hatfield and Sutton) authorizing and governing the practice of group medicine.

Assembly Bills 1110 and 1111: (By Stephenson and Lowery) companion bills to the above.

Assembly Bill 800: (By Wollenberg, Fourt, J. C. Lyons, Doyle, Brown, Dunn, Fletcher, Gaffney and Waters) Governor Warren's Compulsory Health Insurance Bill.

Senate Bill 500: (Salsman, Shelley and Dillinger) Governor Warren's Compulsory Health Insurance Bill.

Senate Bill 699: (By Carter) relating to County Hospitals and admission of pay patients thereto.

Assembly Bill 449: (By Thomas, Dekker, Anderson, Massion, Fletcher, Hawkins, Kilpatrick and Rosenthal) the C.I.O. bill for Compulsory Health Insurance.

Assembly Bill 1200: (By Sam L. Collins, Field, Werdel, Erwin, Knight, Stewart, Stream and Watson) The California Medical Association bill for the encouragement of voluntary medical, surgical and hospital plans.

Assembly Bill 1414: (By Rosenthal) duplicate of the Olson bill of 1939.

Assembly Bill 1525: (By Massion and Dunn) providing for a comprehensive health service to the people of California.

Assembly Bills 1595 and 1596: (By Wollenberg, J. C. Lyons and Fourt) making the necessary appropriations for Governor Warren's Health Insurance plan.

* * *

Since most of the discussion to date has centered around *Compulsory Tax Increase Bills*, we will concentrate in this memorandum on AB 449 (the C.I.O. Bill); AB 800 and SB 500 (Governor Warren's Bills) and AB 1200 (the California Medical Association Bill, which contemplates *no new taxes*).

* * *

I. Compulsory Tax Increase Bills

A. B. 449

Authors: Assemblymen Thomas, Dekker, Anderson, Massion, Fletcher, Hawkins, Kilpatrick and Rosenthal.

Sponsor: C. I. O.

Major Features:

(1) *Administration:* Creates *new* bureau (California Health Insurance Commission) with power to manage and regulate the compulsory health plan. California Health Insurance Commission to consist of nine persons appointed by Governor, two from labor, two from management, two from agriculture, one from medical profession, 1 full-time professor in a medical school, and 1 from the general public (practicing physicians have one member out of nine). An executive director (who must *not* be a physician or dentist) to have full power to manage the day-by-day operations; his salary to be $15,000 per year. A medical director to be appointed (salary $12,000 per year) but his powers, if any, are not specified.

A Medical Advisory Council (two M.D.s, 1 osteopath, 1 dentist, 1 professor, 1 hospital manager, 1 pharmacist, Director of Public Health, and 1 representative of "group practice of medicine") to be appointed by Governor. Its powers limited to "advising" the Medical Director concerning professional and hospital standards of service.

The State to be divided into "areas," each area to have a Medical Director and an Area Medical Council (with power to "advise" on professional matters). The Commission may establish "Appeal Bodies" to hear and determine all disputes subject to *final* appeal to the Commission.

* * *

COMMENT CONCERNING AB 449—THE ELABORATE ADMINISTRATION SET-UP INDICATES AN OPENING WEDGE FOR A HUGE NEW BUREAUCRACY

(2) *Financing:* Costs are financed by (a) a payroll tax of 1½ per cent on employers and 1½ per cent on employees, (b) appropriations from general taxes (for administration expenses), and (c) payments from counties, etc., to cover cost of indigent care. Political subdivisions must pay such amounts as the Commission fixes, but not more than 3 per cent of *average* wages.

(3) *Persons Covered:* All employees who are now subject to Unemployment Insurance Act, their wives and children under 18; also, all indigents (including old age pensioners); also, all state and county employees, their wives and children under 18.

(4) *Benefits:* Medical care, as follows:

(a) "General practitioner" services including "preventive," diagnostic and therapeutic treatment and care and physical exams, (b) "Special medical care," i.e., services requiring unusual professional skill or experience by "a legally qualified physician or dentist who is professionally capable of rendering such srevice," (N.B. Presumably, the Medical Director decides what doctors are specialists and in what specialties), (c) Laboratory services including x-ray, clinical laboratory studies and physiotherapy, hospital care up to twenty-one days, dental and nursing care to the extent the Commission finds feasible.

(5) *Eligible Purveyors of Benefits:* (a) All M.D.s, (b) all osteopathic physicians and surgeons, (c) all dentists, (d) such hospitals as are *approved* by the Commission, (e) all *group* clinics composed of M.D.s, and (f) all medical school faculty members.

(6) *Method of Paying for Benefits:* All "general practitioner" services are paid on a *capitation* basis (i.e., each person selects a doctor and the doctor is then paid $——— per year for each person selecting him, irrespective of the work, if any, done in such year). "Specialist" services and laboratory services will be paid on a fee schedule. The fee schedule need *not* be uniform throughout the State.

(N.B. Furnishing of benefits is a "collective responsibility" of *all* physicians in the area!)

(7) *Effective Dates:* (a) Tax payments, July 1, 1945, (b) Benefits, July 1, 1946.

(8) *Exemptions:* None.

GOVERNOR EARL WARREN'S BILL

A. B. 800

Authors: Assemblymen Wollenberg, Fourt, J. C. Lyons, Doyle, Brown, Dunn, Fletcher, Gaffney, and Waters.

S. B. 500: Companion Bill

Authors: Senators Salsman, Shelley and Dillinger.

Sponsor: Governor Warren.

Major Features:

(1) *Administration:* Creates a *new state bureau*, the California Health Service Authority, with power to operate, manage and regulate a compulsory health insurance plan, *subject to the right of the Governor to veto or suspend acts of the Authority*, the Authority to consist of eleven members and a manager, all appointed by the Governor. The eleven members of the Authority shall include three persons from management, three from labor, two members of the medical profession, one physician experienced in hospital management, one dentist, and the Director of Public Health. The executive head of the Authority is the manager (salary $12,000 per year), who is not required to be a physician. *The manager is directed to administer the act* and to employ such personnel as may be necessary. (The Commission is a part-time affair that would only meet once a month.)

(2) *Financing:* Costs are financed by (a) a payroll tax of 1½ per cent on employers and 1½ per cent on employees, and (b) such amount from the general funds of the State as may be necessary. (Bill states "The faith and credit of the State are hereby pledged to assure the operation of the . . . system until . . . June 30, 1949.")

* * *

COMMENT CONCERNING GOVERNOR WARREN'S BILLS

(A. B. 800 AND A. B. 500)

The Governor proposes a 3 per cent tax on payrolls up to the first $4,000 of wages paid in each year. In 1944 the unemployment payroll tax (total tax being about 3.15 per cent) produced about $170,000,000. In 1940 the same tax produced only $76,000,000. Under the Governor's bill he proposes to cover at least six million people with full medical care, hospitalization, and some dental care. Even at coolie wages to the doctors, the costs of the bill will run at least $250,000,000 to $300,000,000 per year; yet the tax he proposes cannot raise more than $150,000,000 even in boom times, and if we return to 1940 levels will only raise about $60,000,000 or $70,000,000. That means that his provision for resort to the general funds of the State will cost the State between $100,000 000 and $200,000,000 a year for the next three or four years.

(N.B.—The 1½ per cent payroll tax applies to the State, every State agency, every fund any employees of which are subject to the State Civil Service Act, every political subdivision, public or municipal corporation. This would come out of the tax funds levied for support of such employing units.)

(3) *Persons Covered:* All employees who are now subject to the Unemployment Insurance Act, their wives and children under eighteen; also included are all State, county and municipal employees, their wives and children under eighteen.

(Comment. Employers are NOT covered. This is of special importance to employers of small groups.)

(4) *Benefits:* Medical care as follows: "General practitioner" services including "preventative, diagnostic, therapeutic, or other medical treatment or care"; "specialist" services in addition to those of the general practitioner, laboratory and x-ray services, hospital care up to twenty-one days, drugs and medicines, dental services "for the extraction of teeth and for the treatment of acute infections of the teeth, gums, and laveolar processes and the bone adjacent thereto, or fractures of the jaws." Additional services may be provided by the Authority from time to time.

(5) *Eligible Purveyors of Benefits:* (a) All M.D.s. (b) All osteopathic physicians and surgeons, (c) all dentists, (d) all optometrists, and (e) such hospitals as are approved by the Authority and meet the standards prescribed by the Authority.

(6) *Method of Paying for Benefits:* All services of doctors of medicine, osteopaths, dentists and optometrists will be paid for in accordance with a fee schedule adopted by the Authority. One section of the bill guarantees each person covered the right of free choice from amongst such physicians, dentists and optometrists as register for services under the act. *The Authority may prescribe any fee schedule that it desires, and the fees need not be uniform throughout the State.*

(7) *Effective Dates:* (a) Tax payments commence July 1, 1946, (b) Benefits commence January 1, 1947. It is provided, however, that the Governor may delay the effective dates for not more than one year if the United States is still at war on April 1, 1946; also, if the bill should pass the Legislature and be subject to a referendum the effective dates are automatically postponed for one year.

(8) *Exemptions:* (a) Religious: All people who depend for healing upon prayer are exempt both from the benefits and the payroll taxes (the employer of a religious objector must still pay *his* 1½ per cent). (N.B. This exemption may violate the Equal Protection of the Laws clause of the Federal Constitution.)

(b) Employees leaving the State: Any employee who leaves the State and has paid into the fund an amount less than sufficient to make him eligible for benefits (the minimum is a wage of $300 per quarter for six months) is entitled to a refund of all taxes paid.

(N.B. This is a most amazing principle for a pooled fund insurance scheme.)

(c) Employer-operated medical plans: Industrial medical plans owned and operated by an employer may be exempted from both the benefits and the tax by contracting with the manager of the Authority to continue such industrial plan in existence.

(d) Railroad employees: Both railroad and maritime employees are exempted from the definition of the term "employment," and therefore apparently are not entitled to any benefits under the bill.

(9) *Miscellaneous:* (a) Employee Health Plans: It is made a misdemeanor for any employer to require membership in any health plan as a condition of employment.

(b) Control over Beneficial Standards: The bill permits California Health Service Authority to expel any registered physician who rebates fees, seriously neglects the welfare of the patient, or intentionally violates *any* rule or regulation of the Authority. (N.B. Under this provision the Authority could require doctors to disclose professional secrets and expel them from the system if they keep their patient's confidence.)

(c) Penlaties: It is a misdemeanor to violate any provision of the act or of the regulations thereunder or to fail to make full reports to the Authority.

* * *

C.—A. B. 1414

Author: Assemblyman Rosenthal.

Sponsor: Not known, but the bill is identical with Governor Olson's 1939 compulsory health insurance bill.

Major Features:

(1) *Administration:* Adds a Division of Medical Service to the Department of Employment. Provides for a Medical Director as the chief of the division, the Medical Director being charged with the administration of the professional phases of the plan. Otherwise, the present California Unemployment Commission is given

full power to administer the so-called "social insurance benefits." The bill as in the form of an amendment to the Unemployment Relief Act; hence utilizes the existence of the Unemployment Commission as the administrative body.

(2) *Financing:* Proposes a 1 per cent tax on employers, a 1 per cent tax on employees and provides for a contribution from the general funds of the State equal to 1 per cent of all wages paid to the State.

(3) *Persons Covered:* All employees now subject to the Unemployment Insurance Act and not now earning more than $3,000 per year, their wives and children under twenty-one.

(4) *Benefits:* Medical benefits include the services of general practitioners, the services of specialists, laboratory and x-ray services, hospitalization, nursing services, drugs and medicines, and dental services as follows: extraction of teeth, treatment of osteomyelitis of the jaw, trench mouth and jaw fractures; and optometrical services. In addition to the medical benefits, the bill also provides for cash sickness payments to employed persons when ill or injured, these payments to be made out of the Unemployment Fund and to be equal in amount to the present unemployment benefits.

(5) *Eligible Purveyors of Benefits:* All M.D.s, all osteopathic physicians and surgeons, licensed optometrists, licensed dentists and approved hospitals.

(6) *Method of Paying for Benefits:* General practitioners to be paid on the capitation system; specialists, dentists, optometrists, x-ray and laboratory services, and hospitalization to be paid under a fee schedule, the fee schedule to be fixed by the California Employment Stabilization Commission and Medical Director. Various provisions of the bill permit the state to contract with closed panel group clinics for the purpose of permitting such clinics to render all of the medical services provided in the bill on a fixed amount per annum, closed panel group clinics being expressly incorporated by various sections of the bill.

* * *

D.—S. B. 218

Authors: Hatfield, Crittenden and Sutton.

Sponsor: California Farm Bureau.

Major Features:

This bill relates only to county hospitals. Its purpose is to open all county hospitals to all residents of each county, regardless of income. The bill divides all citizens into three classes: A—indigents; B—poor but able to pay some costs; C—able to pay full costs of medical care and hospitalization. Classification into A, B or C is determined by reference to each person's income, amount of property owned and wealth of near relatives legally liable for his or her support.

Those in Class A are entitled to hospitalization and medical care at the expense of the county.

Those in Class B are entitled to medical care and hospitalization at the expense of the county, but are required to contribute to the county such portion of such expense as they are able to pay.

Those in Class C are entitled to hospitalization in the county hospital, but must pay the full cost of such hospitalization. People in Class C are not entitled to any medical care from the county, but are privileged to have their own physicians or dentists treat them in the county hospital while hospitalized.

As to people in Class C, physicians and dentists are permitted to charge private fees. As to those in Class A and Class B, medical care is rendered by the county hospital staff and no charge may be made.

All costs of operating the county hospital constitute a charge against county taxes. The bill also provides that in each county there shall be a Board of Public Welfare of seven persons, two from agriculture, two from medicine, one from osteopathy, and two from business and labor groups. Classification of patients admitted into the county hospital into A, B or C would be made by a medical social service investigating agency acting under the jurisdiction of the Board of Supervisors; provided that any person not satisfied with the medical social service classification may appeal to the county Board of Public Welfare.

In substance, this bill would change county hospitals from charity institutions to a combination charity hospital and private hospital.

* * *

II. Voluntary Bills

A. B. 1200

Authors: Assemblymen Sam L. Collins, Erwin, Field, Knight, Stewart, Stream, Watson and Werdel.

Sponsor: California Medical Association.

Major Features:

(1) *Administration:* As this bill proposes aid and assistance to existing voluntary nonprofit plans, there is *no new bureau created and no additional governmental employees contemplated.* The bill is in the form of an amendment to the Unemployment Insurance Act, and the little administration that is necessary will be done by the existing Employment Stabilization Commission.

(2) *Financing:* Again, as this is a voluntary plan, *no new taxes are contemplated.* The existing tax structure of the Unemployment Insurance Act, which has proven to be more than necessary for unemployment relief, will be utilized under this bill for assisting in spreading the cost of medical care.

(3) *Benefits:*

(a) Voluntary nonprofit medical and hospital plans: To encourage people to enroll in these plans, of which there are many in the State, the bill cuts the employee's 1 per cent payroll contribution to the Unemployment Fund in half; thus an employee who enrolls himself and his family in a nonprofit medical and hospital plan would thereafter be taxed ½ of 1 per cent instead of 1 per cent by the State Unemployment Act. If he earns $200 per month, this means a tax saving of $1, which is automatically applied against his monthly dues to the voluntary plan. In the average case this would amount to about one-fourth to one-third of the total dues charged by existing voluntary plans. This can be done within the existing tax structure. Using 1944 as an example, if this bill had been in effect the ½ of 1 per cent reduction in employees' unemployment contributions would have cost the fund about $25,000,000. In all years since 1936 the costs of the Unemployment Fund have been sufficiently under the tax receipts so that a reduction of ½ of 1 per cent could have been made without jeopardizing the Unemployment Fund. In fact, California and three other states are the only ones who tax the employee anything for unemployment relief, so that we have in this State the full 1 per cent employees' tax over and above the comparable resources of the unemployment funds in forty-four of the States. This bill proposes to make some use of this existing excessive tax, and to allow the people to get some benefits from it.

(b) Allows employers to make payroll deductions for all employees for payment of dues or premiums for approved hospital, medical or surgical prepayment plans. Exceptions under this rule would be made for employees who state in writing their objections to inclusion in such plans. This feature follows the election procedure of the National Labor Relations Act, providing that majority of employees may bind all employees in joining approved nonprofit plans.

(c) Provides that regular unemployment benefits will be paid to employees who are hospitalized for illness and

who are not covered for hospitalization by an approved nonprofit plan. A preliminary actuarial study indicates that this provision of the bill will cost the Fund not more than $2,500,000 per year, based on the incidents of hospitalization and the number of people covered. Actually, it will probably cost the fund less than $2,500 000, because most employees will join voluntary plans to get the tax reduction provided in another part of the bill, and as to such employees sickness benefits are not payable as they are already covered; $2,500 000 is therefore the maximum cost. In 1944 the unemployment tax collections totaled about $170,000,000, so that $2,500,000 is less than 2 per cent of the annual funds available.

(4) *Approved Voluntary Plans:* The bill provides the following types of voluntary plan are approved for the purpose of qualifying persons who enroll for the benefits set forth above:

(a) Any nonprofit corporation holding a certificate issued by the State Board of Medical Examiners, the State Board of Osteopathic Examiners, or the State Board of Dental Examiners, under Subdivision (4) of Section 593a of the Civil Code.

(b) The Blue Cross plans, i.e., nonprofit hospitalization plans operated by the hospitals, and

(c) All insurance company medical, surgical and hospital reimbursement policies.

Each and all of the foregoing types of plan qualify, and people who join them will, under the bill, be entitled to the tax reduction above described. In order to prevent fraudulent plans from springing into existence it was necessary to describe the type of voluntary plan that meets with the State's approval. Descriptions used in the bill are sufficiently broad to cover all types of plan than provide free choice of physician and which give to the public reasonable value for their money paid.

(5) *Miscellaneous:* The incentives that are given to existing private enterprise by this bill will result, if the bill becomes law, in the bulk of the low and middle income population of the State enrolling in voluntary plans. *This can all be accomplished without increasing the tax structure and further penalizing California business and industry.* At the same time, because private enterprise always operates more efficiently than governmental monopolistic bureaus, the people will get more value for each dollar paid than they ever will through a compulsory plan.

* * *

B.—S. B. 219

Authors: Senators Hatfield and Sutton.
Sponsor: California Farm Bureau.
Major Features:

The purpose of this bill is to remove all doubts as to the legality of closed panel group or contract medical practice. Under the bill, any group of physicians or any corporation may enter into contracts with subscribers for the furnishing of health services on a prepayment basis, if such group of physicians or corporation has first obtained from the State Department of Public Health a license authorizing it to transact a prepayment health service plan. The bill prohibits operations by any prepayment plan that does not qualify for a license from the Department of Public Health. There is no requirement in the bill that health service associations offer free choice of physician or hospital; on the contrary, the bill contemplates closed panel or salaried medical staffs to render services to the people who join health service associations. It is provided that associations formed under the bill shall not be subject to the insurance laws of the State. It is also provided that health service associations may be formed either by members of the general public for the purpose of contracting with physicians, or by groups of physicians for the purpose of contracting with members of the public.

It is not clear whether the bill, if enacted into law, would affect California Physicians' Service and existing insurance company reimbursement contracts. It is clear that the bill, if enacted, will legalize operations of closed panel clinics such as Ross-Loos, Chartres-Martin, Stowe-Lipsett, and Ferd W. Callison and Staff.

COUNTY SOCIETIES†

CHANGES IN MEMBERSHIP

New Members (13)

Alameda County (10)

Ash, Donald W., *Oakland*
Christensen, Burt H., *Oaklnad*
Clark, Donald K., *Oakland*
Frary, Louise G., *Alameda*
Grieco, Sebastian C., *Oakland*
Heilbronn, Alexander, *Oakland*
Libby, Charles W., *Oakland*
Root, Grosvenor T., *Oakland*
Violin, Karl, *New York City, N. Y.*
Wilson, Lois S., *Berkeley*

San Bernardino County (1)

Meister, Lester, *Fontana*

San Francisco County (2)

Berger, Max M., *Fort Miley*
Mulvany, Thomas A., *San Francisco*

Transfers (2)

Moran, James A., *from Contra Costa County to Monterey County*
Oppenheimer, Sali, *from San Francisco County to Alameda County*

Retired Members (4)

Carpenter, Harry L., *Contra Costa County*
Gray, John H., *Monterey County*
King, J. A., *Ventura County*
Sewall, Edward C., *Santa Clara County*

Resignations (1)

Weiss, Charles, *San Francisco County*

In Memoriam

Blake, Charles Robert. Died at Richmond, December 27, 1944, age 76. Graduate of the University of California Medical School, Berkeley-San Francisco, 1891. Licensed in California in 1892. Doctor Blake was a Retired Member of the Contra Costa County Medical Society, the California Medical Association, and an Affiliate Fellow of the American Medical Association.

✚

Briggs, Wallace Rideout. (Lieutenant Commander, United States Navy.) Died at Long Beach, December 18, 1944, age 50. Graduate of the Harvard Medical School, Boston, 1919. Licensed in California in 1920. Doctor Briggs was a member of the Sacramento Society for Medical Improvement, the California Medical Association, and a Fellow of the American Medical Association.

✚

Dietz, Henry Louis. Died at Oakland, December 12, 1944, age 72. Graduate of the California Eclectic

† For roster of officers of component county medical societies, see page 4 in front advertising section.

Medical College, Los Angeles, 1896. Licensed in California in 1896. Doctor Dietz was a member of the Alameda County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.

✚

Garibotti, Angelo David. Died at Santa Cruz, December 14, 1944, age 32. Graduate of Creighton University School of Medicine, Omaha, 1938. Licensed in California in 1939. Doctor Garibotti was a member of the Santa Cruz County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

✚

Lynch, Frank Worthington. Died at San Francisco, January 14, 1945, age 73. Graduate of the Johns Hopkins University School of Medicine, Baltimore, 1899. Licensed in California in 1915. Doctor Lynch was a member of the San Francisco County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

✚

Sawtelle, Henry Fenno. Died at Arroyo Grande, December 2, 1944, age 67. Graduate of the University of Illinois College of Medicine, Chicago, 1902. Licensed in California in 1935. Doctor Sawtelle was a member of the San Luis Obispo County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

✚

Soucey, Harold Carold. Died at Los Angeles, December 25, 1944, age 51. Graduate of the College of Medical Evangelists, Loma Linda-Los Angeles, 1928. Licensed in California in 1936. Doctor Soucey was a member of the Fresno County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

✚

Stearns, Lester Miles. Died at La Jolla, January 4, 1945, age 62. Graduate of the University of Illinois College of Medicine, Chicago, 1905. Licensed in California in 1943. Doctor Stearns was a member of the San Diego County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

✚

Taylor, David Armstrong. Died at San Francisco, January 2, 1945, age 74. Graduate of the Milwaukee Medical College, Wisconsin, 1906. Licensed in California in 1917. Doctor Taylor was a member of the San Francisco County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

✚

Thorne, Isaac Walton. Died at San Francisco, December 23, 1944, age 73. Graduate of the Cooper Medical College, San Francisco, 1896. Licensed in California in 1896. Doctor Thorne was a member of the San Francisco County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

✚

Williams, Norman Harris. Died at Los Angeles, December 18, 1944, age 68. Graduate of the Johns Hopkins University School of Medicine, Baltimore, 1913. Licensed in California in 1918. Doctor Williams was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the Amreican Medical Association.

CALIFORNIA PHYSICIANS' SERVICE†

Beneficiary Membership

	November 1943	*November 1944*
Commercial Program	54,500	101,000
Rural Health Program	2,400	2,038
War Housing Program	20,790	15,000
Total Membership	77,690	118,038

With the confusion that now exists in the ranks of the medical profession as a result of the actions of the recent special session of the House of Delegates, and proposed legislation, it is difficult to clearly define the state of medical affairs in California.

California Physicians' Service, of course, finds itself at the fulcrum point of various vital forces that are attempting to shape the destiny of the private practice of medicine. Whether California is being used as a trial horse through influence from the East or not, or whether this originates within the State itself is not clearly discernible, but there is no doubt but what a terrific upheaval is now going on.

Under these conditions, it is rather difficult to lay a course, because there is apparently no direction that is the obvious one to take. There is no doubt, however, that during the preliminary discussions C.P.S. may play a very prominent part in all of the discussions, and if there are any conclusions reached, it will undoubtedly be somewhere in the picture. Toward this end, C.P.S. is continuing on with its business as usual, effecting its rate changes and continuing to develop and perfect its various techniques.

Because of the unknown quantities in the picture, and because C.P.S. has been frequently mentioned as a probable component part of anything that does happen—granting the possibility that it may happen—it is again apparent that the unqualified support of every individual physician is necessary. One of the big weaknesses that C.P.S. is frequently subjected to is lack of coöperation of an individual doctor, a group of doctors or a locality of doctors. These weaknesses are seized upon by opponents to a physician-sponsored plan as being evidence that the physicians themselves do not support their own program, and this is very damaging when it is brought up under the right circumstances.

The C.P.S. that the supporting members of the profession have developed is gradually beginning to prove its worth, by mere reason of the fact that it has existed for six years and has acquired a sufficient volume of people to provide an experience which we are sure will not be overlooked in any of the future events. The actuarial and technical data that C.P.S. has acquired is incontrovertible evidence, which has been kept by a fool-proof system. This evidence, if and when requested and summoned, can be of great value if there is negotiating or bargaining to be done relative to the cost of medical care and the methods of its distribution.

For these reasons C.P.S. should continue on, even more active than in the past, should gear itself to greater and greater membership, and gear itself to greater and greater support of the medical profession. It is obvious that no immediate action is going to take place, regardless of what legislation may be proposed or even passed. Under the latter condition, the medical profession still has at least a year, or maybe two years, in which to entrench itself in the good regard of the public.

A. E. Larsen, M.D.,
Executive Medical Director.

MISCELLANY

Under this department are ordinarily grouped: News Items; Letters; Special Articles; Twenty-Five Years Ago column; California Board of Medical Examiners; and other columns as occasion may warrant. Items for News column must be furnished by the fifteenth of the preceding month. For Book Reviews, see index on the front cover, under Miscellany.

NEWS

Coming Meetings†

California Medical Association. Session will convene in Los Angeles. Dates of the seventy-fourth annual session, to be held in 1945: Sunday, Monday, May 6-7.

American Medical Association. The 1945 Session, previously scheduled for Philadelphia, will not be held. See J.A.M.A., January 20, 1945.

The Platform of the American Medical Association

The American Medical Association advocates:

1. *The establishment of an agency of Federal Government under which shall be coördinated and administered all medical and health functions of the Federal Government, exclusive of those of the Army and Navy.*

2. *The allotment of such funds as the Congress may make available to any state in actual need for the prevention of disease, the promotion of health, and the care of the sick on proof of such need.*

3. *The principle that the care of the public health and the provision of medical service to the sick is primarily a local responsibility.*

4. *The development of a mechanism for meeting the needs of expansion of preventive medical services with local determination of needs and local control of administration.*

5. *The extension of medical care for the indigent and the medically indigent with local determination of needs and local control of administration.*

6. *In the extension of medical services to all the people, the utmost utilization of qualified medical and hospital facilities already established.*

7. *The continued development of the private practice of medicine, subject to such changes as may be necessary to maintain the quality of medical service and to increase their availability.*

8. *Expansion of public health and medical services consistent with the American system of democracy.*

(Note: For interpretative comments, see *J.A.M.A.*, June 24, 1944, pp. 574-576.)

Medical Broadcasts*

The Los Angeles County Medical Association:

The following is the Los Angeles County Medical Association's radio broadcast schedule for the current month, all brodacasts being given on Saturdays:

KFAC presents the Saturday programs at 10.15 a. m., under the title, "Your Doctor and You."

In February, KFAC will present these broadcasts on the following Saturdays: February 3, 10, 17, and 24.

The Saturday broadcasts of KFI are given at 9:45 a.m., under the title, "The Road to Health."

"Doctors at War":

Radio broadcasts of "Doctors at War" by the American Medical Association is on the air each Saturday at 1:30 p.m., Pacific War Time.

† In the front advertising section of *The Journal of the American Medical Association*, various rosters of national officers and organizations appear each week, each list being printed about every fourth week.

* County societies giving medical broadcasts are requested to send information as soon as arranged.

Pharmacological Items of Potential Interest to Clinicians*:

1. *More Books:* Reinhold issues M. Sahyun's *Outline of Amino Acids and Proteins* and P. J. Flagg's *Art of Resuscitation.* Farm Foundation, Chicago, offers *Medical Care and Health Services for Rural People.* Grune & Stratton, New York, publish L. Lichwitz's *Pathology and Therapy of Rheumatic Fever* (with full bibliography). C. C. Thomas (Springfield, Ill.) puts out 3rd Ed. of R. Major's fine *Classic Descriptions of Disease.* L. Loeb's *Biological Basis of Individuality,* and P. McDonough's *Poet Physicians.* Nicholson of London offers B. Graves' *Comments on Medicine, Surgery and Education.* Faber, also of London, prints H. Renner's heavy tome on *The Origin of Food Habits.* Heineman, still of London, sells A. E. Wright's *Studies on Immunization, 2nd Series* (with Chemotherapy appendix). Livingstone of Edinburgh has W. Sargant and E. Slater's *Physical Methods of Treatment in Psychiatry* (!). Almquist of Upsala offers biography of The Swedberg (1884-1944) with collection of biochemical papers. J. Vicente of Buenos Aires, issues F. J. Manfredi's *Injertos Paratioideos.* El Ateneo, also of Buenos Aires, offers P. Negroni's *Micosis Cutaneos y Viscerales,* E. Braun-Menendez & Co's. *Hipertension Arterial Nefrogena,* A. J. Bandoni's *Terapeutica Antiparasitaria,* E. B. Del Castillo's *Endocrinolgia Clinica,* and Vols. 3 and 4 on symptoms and treatment of A. Gareiso's *Manual de Neurologia Infantil.* Yale Press issues Woglom's trans. of C. Oberling's *Riddle of Cancer.* Hadham, of New York, sells F. Rider's *The Scholar and the Future of the Research Library.* Hopkins Press, Baltimore, issues H. Friedenwald's *Essays.*

2. *More Antibiotics:* S. Waksman & Co. isolate chaetonin from fungus Chaetonium cochliodes, which like penicillin is gram-positive effective and contains N & S (*J. Bact.*, 48:527, 531, 1944). Waksman's discussion on distribution of antagonistic fungi in nature is in *Mycologia* (35:47, 1943). G. F. Gause and M. Brazhnikova (Moscow) recommend 500 gamma per cc. solution locally of gramacidin S for infected wounds (*Nature*, 154:703, Dec. 2, 1944). Merck's H. B. Woodruff finds streptothricin effective against mycobacteria *in vitro* (*Proc. Soc. Exp. Biol. Med.*, 57:88, '44). Merck's H. J. Robinson indicates streptomycin's advantages over streptothricin (less toxic, more active) (*Ibid.*, p. 226). S. Waksman then notes activity of streptomycin on M. tuberculosis (*Ibid.*, p. 244). W. T. McClosky and M. Smith show sensitizing properties of penicillin (*Ibid.*, p. 270). H. J. Greene and G. L. Hobby find penicillin passes placenta (*Ibid*, p. 282). E. B. McQuarrie & Co. report full study of penicillinase (*Arch. Biochem.*, 5:307, 1944).

3. *More on Trauma:* M. Prinzmetal & Co. suggest 2 types of burn shock, one due to local fluid loss (Surg., 16:906, '44), and recommend sulfamerazine locally and systemically immediately after crush injuries, to prevent shock (*Ibid.*, p. 914). A. Forero & Co. correlate cardiac injury with extent of precordial trauma (*Rev. Argentina Card.*, 11:77, '44). C. G. Tedeschi shows same for brain and head trauma (*Proc. Soc. Exp. Biol. Med.*, 57:264, '44). E. G. Bywaters and J. K. Stead show renal failure

* These items submitted by Chauncey D. Leake, formerly director of the University of California Pharmacologic Laboratory, now dean of the University of Texas Medical School, Galveston, Texas.

when myohemoglobin, from muscle crush, is excreted in acid urine (*Quart. J. Exp. Physiol.*, 33:53, 1944).

4. *Just More:* S. J. Sarnoff and E. J. Poth find succinylsulfathiazole protective to bowel after blocking venous return (*Surg.*, 16:927, '44). A. S. Wiener describes the Rh series of allelic genes (*Science*, 100:595, Dec. 29, '44). E. Boehm and R. Williams recommend propyl gallate as effective anti-oxidant (*Quart. J. Pharm.*, 17:171, '44). H. H. Anderson and T. K. Chuan find mapharsen effective amebacide in vitro (*Am. J. Trop. Med.*, 24:367, '44). L. W. Kinsell & Co., recommend 12.5 mgm daily testosterone proprionate to prepare thyrotoxic patients for operation, in addition to iodine and thio uracil (*J. Clin. Invest.*, 23:880, '44). G. N. Lewis and M. Kasha offer important concept on phosphorescence and triplet state (*J. Am. Chem. Soc.*, 66:2100, '44). H. F. Blum gives evidence against sterol conversion hypothesis of carcinogenesis by ultraviolet radiation (*J. Nat. Cancer Inst.*, 5:89, '44). J. B. Johnson and W. S. Wallace show how Tb in medical students may be controlled (*Texas S. J. Med.*, 40:428, '44). N. F. Maclagan offers serum colloidal gold reaction in diagnosis of parenchumatous liver disease (*Brit. J. Exp. Path.*, 25:15, '44; *BMJ*, 2:363, '44), and also thymol serum turbidity test (*Nature*, 154:670, Nov. 25, '44). B. D. Davis discusses variety of biologic false positive serologic tests for syphilis (*Med.*, 23:359, '44). Young Turk abstracts appear (*J. Clin. Invest.*, 23:926, '44). J. T. King & Co. confirm Taylor's work on tumor production by inoculation of tumor filtrate (*Proc. Soc. Exp. Biol. Med.*, 57:3, 1944). L. C. Miller and M. L. Tainter embellish ED_{50} idea (*Ibid.*, p. 261). How about "certain safety factor"?

Dr. Robert A. Peers of Colfax Elected Trustee of A.M.A.—Dr. Robert A. Peers, tuberculosis specialist, and an ex-president of the California Medical Association, has been elected a director in the American Medical Association to succeed the late Dr. E. M. Pallette of Los Angeles.

Dr. Peers is in Los Angeles attending a meeting of the California Medical Society.—Sacramento *Bee*, January 6.

Don Ameche's Tribute to the Medical Profession.—The following tribute to the medical profession was given by Don Ameche in the Chase and Sanborn, Edgar Bergen-Charlie McCarthy radio program on Sunday afternoon, January 28, 1945.

Upon request, a copy of Don Ameche's remarks was sent to the Editor of C. & W. M. by the National Broadcasting Company. Don Ameche's remarks follow:

DON AMECHE: "Doctors haven't time for you self-made invalids these days, Charlie [Edgar Bergen-Charlie McCarthy Hour] they're too busy both here at home and overseas. No corps of men and women in this war is better serving the cause of victory and humanity than the Medical Corps. Our uniformed forces are getting the best medical attention in the world. The work of doctors and nurses in action areas, ashore and afloat, is dangerous and nerve-racking. While here at home we should never forget that to put all that fine medical aid at the disposal of our fighting men had meant imposing a tremendous strain on the few doctors left to hold high the standards of health and to fight epidemic. The doctors here at home are doing a magnificent job. Each physician today is caring for from three to four times as many patients as he used to attend. These over-worked men need our earnest help. How can we help our doctors? Easily . . . by appreciating their problems and coöperating to solve them. Go to see your doctor in his office, whenever possible, instead of asking *him* to come to see *you*. Call him only when you're sure it's necessary. But when you *are* sure it's necessary, call him immediately and be prepared to give him an intelligent, brief, but complete outline of your symptoms. We might even relieve our doctors of financial worry by paying them as promptly as we expect people to pay what they owe us. But above all, try to help your doctor by being as patient and understanding of *his* problems in *this emergency* as he is patient and understanding of your problems at *all* times."

"Is There a Doctor?"—"Who is a good physician?" is one of the first questions asked by newly arrived residents. The San Francisco Medical Society in 1943, recognizing that thousands of newcomers would be making that query in San Francisco, set up a 24-hour telephone advisory service. This contribution to community welfare has had noteworthy success, as figures just released by the society indicate.

Last year 11,664 calls were answered. Not all were from new citizens, either. Old time residents, whose regular doctors went to war, were frequently equally at a loss to know where to find competent medical service. They relied upon the Society's service.

Callers are given the names of three available physicians from whom to choose. Thereafter all arrangements are between the caller and the physician chosen. The society's telephone number, both day and night, is WAlnut 6100.

This is a practcial home front volunteer community service for which the medical profession deserves great thanks.—Editorial in San Francisco *News*, February 2.

Stanford Popular Lectures.—The Stanford University School of Medicine announces the Sixty-third course of Popular Medical Lectures to be given at Lane Hall, San Francisco, on March 2, March 16, March 30, and April 13, 1945 at eight o'clock sharp. Program follows:

Friday Evening, March 2, 1945: "Mental Disturbances in Relation to the War," by Karl M. Bowman, M.D.

Friday Evening, March 16, 1945: "Medical Services to the Armed Forces," by Charles C. Hillman, Brigadier General, M.C., U.S.A.

Friday Evening, March 30, 1945: "Penicillin," by Lowell A. Rantz, M.D.

Friday Evening, April 13, 1945: "The Rh Factor in Marriage and Childbearing," by T. Henshaw Kelly, M.D.

All interested are cordially invited to attend.

National Blue Cross.—In the Bay Area, 99,095 men, women and children now budget hospital bills through voluntary Blue Cross Plan membership. They are part of the 16 million persons in the United States prepaying hospital bills through these non-profit, community-sponsored Blue Cross Plans.

New members enrolled on the average of 12,000 a day through places of employment, professional groups and farm and community organizations.

Doctor bill prepayment plans doubled from 11 to 22 in 1944. Seventeen states and two Canadian provinces are now served by Blue Cross Plans.

Los Angeles 1944 Grand Jury Takes Last Shot at General Hospital.—The Los Angeles county grand jury for 1944 yesterday bowed out of office, but not before it filed its final report in which it recommended something be done about the manner the Los Angeles County General Hospital conducted its financial business.

The 19 men and women, through William E. Beach, chariman of the jury's audit committee, recommended that:

1. The Board of Supervisors study the present operations of the $17,000,000 hospital, which employs 3,600

persons and operates on an annual budget of $6,500,000.

2. The hospital's policy of fixing rates for various services, billing patients and exemption of certain classes of patients should be reviewed by the county Board of Supervisors.

3. The hospital be made to follow recommendations in its accountings as specifically ordered by the county auditor.—Los Angeles *Daily News*, January 20.

Physicians' Federal Income Tax.—The *Journal of the American Medical Association* for February 10th on pages 338-341 prints valuable information concerning the physician's Federal income tax The article was prepared by the A.M.A. Bureau of Legal Medicine and Legislation. The attention of physicians who desire information concerning items such as tax rates and exemptions, gross and adjusted incomes, physicians in service, deductions for professional expenses, contributions to charitable organizations, and miscellaneous deductions, will find this article of special interest.

CALIFORNIA COMMITTEE ON PARTICIPATION OF THE MEDICAL PROFESSION IN THE WAR EFFORT

Seventy Doctors Have Been Killed In War Theaters

Chicago, Jan. 15.—(AP.)—*The Journal of the American Medical Association* disclosed in its current issue, 70 physicians were reported killed in action in war theaters in 1944 and 113 others died while in military service.

Of the group killed in action, the *Journal* stated, specific information is not available in most cases on the type of death, adding that a number of physicians who first were reported missing in action later have been given a presumptive date of death.

Theaters of operation designated in official reports as those where injuries resulting in death occurred are:

The Pacific area, 17; European area, 10; France, 12; Italy, five; North Africa, six; Atlantic area, three; Anzio beachhead, three; Normandy, two; Bougainville, Marshall Islands, Isle of Capri, Guam, Tarawa, Coral Sea, Savo Island and Sicily, each one.

One died en route from Tunisia to Sicily, the *Journal* said, while location was not mentioned in three obituaries.

Of the physicians who were killed in action, the *Journal* reported 26 died in the age group 25 and 29, 33 between 30 and 34, eight between 35 and 39, two between 40 and 44, and one between 45 and 49.

Of the 113 physicians who died while in military service, 20 deaths were caused by airplane accidents.—Sacramento *Bee*, January 15.

Two Million 4-F's Charged To Illiteracy

Illiterate Rejectees Are Included in the Four Million Rejectees Due to Physical and Mental Causes

Dr. John K. Norton of Columbia University said on January 29 that illiteracy alone has deprived America of a fighting force equivalent to the Russian Army now driving toward Berlin.

Norton testified at a hearing held by the Senate Committee on Education and Labor that "we have had to reject at least 2,000,000 4-F's—enough men to equal the army put on the current Russian offensive—because they were denied educational opportunity."

He said Southern States, with "substandard schools—and sometimes no schools—have thrown up such a large percentage of 4-F's that we have had to turn to other sections to find men.

"More youths from New York, Connecticut, Massachusetts, California and Illinois will be killed in this war than would have been had we had reasonable educational opportunity."

Senator J. William Fulbright (D., Ark.) commented that "this means our ablest men will be killed."

Assailing what he termed America's "educational slums," Norton said more than half of the country's school children are given "completely inadequate" schooling. He said the 1940 census listed nearly 3,000,000 adults who had never attended any school, more than 10,000,000 adults classified as "virtual illiterates," and nearly 2,000,000 children from the ages of 6 to 15 who were not attending any kind of school.

U. S. Battle Casualties

737,342 Is Toll; Losses in Army Reach 650,420

Washington, Feb. 2.—(AP.)—American battle casualties have zoomed to 737,342 since Pearl Harbor, rapidly nearing the toll of the Civil War, heretofore the Nation's costliest conflict.

The great bulk of dead, wounded, missing or captured by the enemy was reported by the Army. Announcement also was made that 5,100,000 of the 8,100,000 in the Army now are abroad.

Army and Navy Figures

Acting Secretary of War Patterson told his news conference that Army casualties, including those during most of the fighting in December, have reached 650,420. The Navy reported 86,922.

Civil War Figures

The figures included an aggregate of 154,565 killed, some 13,000 short of the number of Confederate and Union soldiers who died in battle during the war between the states. Including deaths from disease and other cause, total casualties of both sides have been estimated at anywhere from 800,000 to 1,000,000 in that conflict.

Disclosure that the Army troops remaining at home had dwindled to 3,000,000 came with Patterson's report that the Army had reached the bottom of the barrel in drawing urgently needed infantry replacements from the divisions in the United States.

Patterson said that the domestic units had been tapped for 500,000 replacements and that 10,000 men overseas are being shifted every month from noncombatant units to the infantry.

Replacement Sources

The 500,000 included, among others, 50,000 culled from the Army specialized training program, 80,000 shifted from the air and service forces and 90,000 who had volunteered to transfer into the infantry from other branches.

Of the troops now in this country, the Army reported 1,000,000 are being trained as infantry replacements for overseas units, 1,000,000 are in training with tactical units which also will be sent overseas and 1,000,000 are in so-called housekeeping units composed of limited service men and those who have returned from overseas.

The armed forces listed this breakdown of the casualties:

Army—Killed, 121,676; wounded, 379,638; missing, 91,573; prisoners, 57,533.

Navy—Killed, 32,889; wounded, 39,807; missing, 9,750; prisoners, 4,476.

Patterson said 186,000 wounded men have recovered and been returned to duty.—San Francisco *Chronicle*, February 3.

Nurse Draft Issue

"Public Favors It"—Gallup

Princeton, N. J., Feb. 2.—President Roosevelt's proposal that nurses be drafted to serve with the Army and Navy finds substantial approval from the American public, judging by the results of a public opinion survey just completed.

Approximately three persons out of every four in the poll expressed approval of taking this drastic step to end the nursing deficiency in the armed forces. The President made his proposal in his annual message to Congress early last month.

The country's reaction was sounded by the Institute in the following poll:

"Do you approve or disapprove of the proposal now before Congress to draft nurses to serve with the Army and Navy?"

The vote is:

	Per Cent
Approve	73
Disapprove	19
No opinion	8

The Institute concurrently conducted another poll on the issue, using the so-called "open" type of question, namely: "What is your opinion of the proposal now before Congress to draft nurses to serve with the Army and Navy?" An analysis of the replies shows that 73 per cent indicated an attitude favorable to drafting nurses if volunteering proves inadequate. . . .—George Gallup, Director, American Institute of Public Opinion, in San Francisco *News*, February 2.

COMMITTEE ON PUBLIC POLICY AND LEGISLATION

Vast Health Plan Favored

Federal, States Postwar Program Urged by Senate Group

Washington, January 3.—(AP)—A Senate subcommittee recommended today a vast national health program centered about postwar Federal-State construction of hospitals and health centers.

The group, headed by Senator Pepper, Democrat, Florida, also recommended:

1. Federal loans and grants to aid in providing sewer and water facilities and milk pasteurization plants in communities that lack them.

2. Fulltime public health departments in all communities as soon as needed personnel becomes available, with increased federal grants to State health departments.

3. Army consideration for increased induction and rehabilitation of men rejected because of mental and physical defects.

4. Preservation of Selective Service's medical records and appropriation of funds for study of them.

5. Immediate steps to provide more medical men with training in psychiatry "with a view to providing child guidance and mental hygiene clinics on a far-wider scale."

6. Federal scholarships or loans to assist qualified students—both men and women—desiring medical or dental education.

7. Federal funds be made available to the States for medical care of all recipients of public assistance.

In advancing these proposals, the group, appointed by the labor committee to study wartime health and education, made no estimate of cost. Members in addition to Pepper are Senators Thomas, Democrat, Utah; Tunnell, Democrat, Delaware; La Follette, Progressive, Wisconsin, and Wherry, Republican, Nebraska.

COMMITTEE ON SCIENTIFIC WORK

C.M.A. 1945 Annual Session

The requirements of the Office of Defense Transportation are as follows:

(1) Any convention or meeting must be less than 50 traveling persons in order to accomplish three things:

1. Avoid the use of public transportation, such as railroads.

2. Prevent crowding hotels with overnight guests.

3. Prevent throwing extra work upon hotel management through extra care of meeting rooms.

* * *

In order to accomplish the above ends, the California Medical Association is proceeding as follows regarding its meeting in Los Angeles on Sunday-Monday, May 6-7, 1945.

I. The only official delegates for whom the California Medical Association will be responsible will be General Officers and Delegates of Component County Societies, (not to exceed the number of 46 from counties outside of Los Angeles).

II. Meetings will be held, not in hotels, but in the Elks Temple, and the headquarters of the Los Angeles County Medical Association, (in order to avoid hotel service).

III. The Scientific programs will be carried through, but with Los Angeles members in charge of the meetings. In addition, C.M.A. members who are not resident in Los Angeles, will be permitted to have their papers read by title, so that the same will be eligible for consideration in the OFFICIAL JOURNAL, "California and Western Medicine." Or, a non-Los Angeles resident may ask some Los Angeles member to read his paper, through mutual arrangement that may be satisfactory to the Section Officers.

C.M.A. members in the Los Angeles area, who would be on the programs of the Scientific Sections and who do not live in the City of Los Angeles, will be requested to motor into Los Angeles for Sunday morning or afternoon, or Monday morning or afternoon, in order to avoid the use of public transportation.

74th Annual Session—C.M.A.

Present plans of the Council of the California Medical Association and of the C.M.A. Committee on Scientific Work contemplate an annual session of the California Medical Association in Los Angeles on Sunday-Monday, May 6-7, 1945, even though the attendance be largely confined to the Los Angeles area.

The letter which follows gives additional information concerning tentative plans.

* * *

(COPY)

CALIFORNIA MEDICAL ASSOCIATION

San Francisco, January 25, 1945.

Officers of all Scientific Sections of C.M.A., *Addressed.*

Dear Doctors:

Every Section Officer has received several letters from the C.M.A. Committee on Scientific Work, in re: section programs for this year's annual session, scheduled to be held in Los Angeles, Sunday-Monday, May 6-7, 1945.

Because of newspaper and other items regarding governmental transportation rules, etc., the following information is sent to each of you, as based on action taken by the C.M.A. Executive Committee.

1. The Annual Session will be held in Los Angeles, even though the *actual* attendance will be practically limited to members of the Los Angeles County Medical Association (a county society having some 3,000 members, which is larger than many state societies).

2. Section Officers should proceed with plans to secure papers from C.M.A. members representing other sections

of the State, even though the authors may not be able to attend the Annual Session *in person.*

(Note. Such papers can be listed, "Read by Title," but can be actually read, if desired, by some section member living in Los Angeles.)

This plan will also give CALIFORNIA AND WESTERN MEDICINE up-to-date papers, and such "Read by Title" papers will be eligible for publication in CALIFORNIA AND WESTERN MEDICINE.

* * *

From the above, you will note that all Section Officers have the responsibility to proceed with the arrangement of their respective programs.

Because of the transportation and associated difficulties of this wartime period, the Officers of each Section may wish to re-check on essayists who are in the Los Angeles area, both in civilian practice or nearby hospital stations of Army or Navy camps and hospitals.

Cordially yours,

C.M.A. COMMITTEE ON SCIENTIFIC WORK,
By GEORGE H. KRESS, *Chairman*
(ex officio, Association Secretary)

COMMITTEE ON POSTGRADUATE ACTIVITIES

Fourteenth Midwinter Postgraduate Clinical Course of Research Study Club of Los Angeles

Four Hundred Eye, Ear, Nose and Throat Specialists Attend Conference

More than 400 eye, ear, nose and throat specialists from all over the country began assembling on January 22 for the fourteenth annual midwinter postgraduate clinical convention in ophthalmology and otolaryngology, which got under way at the Elks Temple, 607 South Parkview avenue, Los Angeles. The convention continued to Feb. 2.

Held under the auspices of the Research Club of Los Angeles, the conference was the nature of a post graduate study clinic embodying a free exchange of ideas and new clinical experience.

Listed as teachers were the following out-of-town doctors: John J. Shea, Memphis; Cecil S. O'Brien, Iowa City, Iowa; Hans Brunner, Chicago; Kenneth G. Swan, Portland, Ore.; Guy L. Boyden, Portland, Ore.; William Chrisp, Denver; Chauncey D. Leake, Galveston; Samuel Salinger, Chicago; Irving B. Lueck, Rochester, N. Y.; Scott N. Reger, Iowa City, Iowa; George N. Hosford, San Francisco; Meyer Wiener, Coronado, Cal., and Samuel A. Crooks, Loma Linda, Cal.

On Monday evening, January 22, the Los Angeles Society of Ophthalmology and Otalaryngology held its annual meeting and banquet at the Elks Club and welcomed the members and taeching staff of the Mid-Winter Course. In addition to Guest-Letcurers of the Mid-winter Course, President Lowell S. Goin and Secretary George H. Kress of the California Medical Association were called on to discuss current medical legislation.

COMMITTEE ON MEDICAL ECONOMICS

Gross and Net Incomes of Physicians

(COPY)

AMERICAN MEDICAL ASSOCIATION
535 North Dearborn Street
Chicago, 10

January 29, 1945.

My dear Doctor Kress:

Your letter of January 26 came to my desk a few minutes ago.

We have no late figures pertaining to physicians' incomes. Some years ago we undertook what I believe to be the most intensive and comprehensive survey that has ever yet been undertaken but when it was all done some of us had grave doubts as to the accuracy of the figures reached. Instead of using the methods usually employed in making such surveys we made a very earnest effort to secure information from many thousands of doctors rather than from a very few hundreds or a very few thousands. It was found that it was exceedingly difficult to secure information from men in the lower income groups and even more difficult to secure dependable information from the men in the highest income groups. Responses received from some states were very meager and from other states much more numerous than had been expected. It is my purely personal opinion that many individuals kept exceedingly poor records and that the estimates of their own incomes were little more than guesses, that being especially true with respect to net incomes. Even so, the figures that were developed as the result of our survey were rather closely in agreement with figures compiled by the Committee on the Costs of Medical Care.

I doubt very much that it is advisable to utilize any figures that have been recently compiled for the purpose of estimating the average incomes either gross or net. There are now some 60,000 physicians on active duty with the military forces and with other governmental agencies that are immediately concerned with medical service as an important part of the war effort. That means, of course, that the number of physicians available for civilian service is relatively small as compared to the number that would be available in normal times. Naturally, it is, of course, inevitable that individual incomes in 1943 would be higher than in normal times and the result is that any picture that might be drawn on the basis of present conditions would be altogether abnormal and would not mean anything except that physicians now engaged in civilian practice are enjoying larger incomes than ever before.

However, all this may be, I shall make immediate effort to secure for you available information concerning our own survey and I shall forward it to you at the earliest possible time.

With all good wishes, I am,

Very truly yours,
(Signed) OLIN WEST.

* * *

(COPY)

WESTERN UNION TELEGRAM
Chicago, January 29, 1945.

Dr. George H. Kress,
450 Sutter Street,
San Francisco.

American Medical Association survey of 1928, median gross income all physicians was $7,431. Private practitioners $8,090 median net, all physicians same year $4,555.

Private practitioners, $4,938 Committee on the costs of medical care survey of 1929. Median gross income all physicians was $7,026. Private practitioners $7,662. Median net all physicians, $4,200.

Private practitioners $4,100 Michigan State Medical Society survey, 1931. Median gross all physicians $5,637. Median net all physicians $3,264.

California Medical Association survey, median net income $5,000 to $5,999 in 1929; $3,000 to $3,999 in 1933.

State Medical Society of Wisconsin in 1930 indicated twenty-six and three-tenths per cent physicians net in-

come of less than $2,000; fifty-seven and nine-tenths per cent net income of less than $4,000; and thirty-two per cent over $5,000.

In Utah on basis of small survey, average gross income in 1928, $9,943 and in 1933, $5,661; average gross income in 1928, $9,943 and in 1933, $5,661; and approximately same figures for Colorado.

OLIN WEST.

COMMITTEE ON HOSPITALS, DISPENSARIES AND CLINICS

San Francisco Health Survey

Closing of San Francisco's emergency hospitals will be recommended by the two doctors of the American Public Health Association who have been hired by the city to survey the Health Department.

Their report will criticize Health Director Geiger for carrying too much of the burden of his department alone, it was learned yesterday, and will recommend scrapping of a closed shop agreement giving staffs of the two university hospitals exclusive rights to work in San Francisco Hospital.

The two doctors, Dr. Carl Buck and Dr. George Palmer, reportedly believe it would be more economical for the city to pay for the treating of emergency patients at private hospitals than to maintain staffs constantly at the five emergency hospitals.

Their criticism of Dr. Geiger will be that he is too conscientious, and that his failure to delegate more authority interferes with the efficiency of the Health Department. Dr. Geiger is known to keep a close personal watch on all institutions and departments under him, making many of the decisions which could be delegated to assistants.

University of California Hospital and Stanford Hospital have had exclusive charge of all county patients at San Francisco Hospital for many years.

A group of psychiatrists recently requested that two wards at the hospital be opened up to private physicians and doctors for the care of mental cases, and the Supervisors have the request under consideration.

Dr. Geiger said the present set-up was ideal, as far as the city is concerned, and also was ideal for the training of young doctors by the universities.

The investigating doctors were hired by Chief Administrative Officer Thomas A. Brooks to make the survey.

Brooks said he did not feel anything was wrong with the Health Department, but believed "we are sometimes too close to the picture to see needed changes."

The doctors have been studying the department for three months and will file their report in a week or 10 days.—San Francisco *Chronicle*, January 27.

MEDICAL JURISPRUDENCE†

HARTLEY F. PEART, ESQ.
San Francisco

Salary Stabilization As It Affects Employees in Offices of Physicians and Surgeons

This is substantially the same article as appeared in the January, 1945, issue of the *Bulletin* of the San Francisco County Medical Society under the above title. It is reproduced in this column with some minor changes because the subject matter is of importance to every physician and surgeon in the State of California.

Wage and Salary Stabilization as instituted in October, 1942, by an amendment to the Emergency Price Control Act and the President's Executive Orders thereunder applied to all employers in the United States. Either the National War Labor Board or the Commissioner of Internal Revenue was vested with jurisdiction to regulate all wage and salary increases and decreases with the Commissioner being granted jurisdiction over all salaries in excess of $5,000, and those salaries of less than $5,000 paid to executive, administrative or professional employees. The National War Labor Board was given jurisdiction to control wage and salary increases or decreases in all other cases. By the terms of the President's Executive Order No. 9250, the National War Labor Board was authorized by general regulation to make such exemptions from the salary stabilization law in cases involving small total wage increases as it deemed necessary for the effective administration of salary stabilization. Under its General Order No. 4 the War Labor Board exempted from the operation of salary stabilization all wage adjustments made by employers who employed eight or less individuals. Under this exemption, until October 6, 1944, doctors employing eight or less individuals including nurses, anaesthetists, laboratory or x-ray technicians were free to raise or lower the salaries of their employees in most instances without consulting the War Labor Board, provided that no more than one increase per person per year was permitted.

On October 6, 1944, the National War Labor Board removed the exemption under General Order No. 4 to employers of eight or less employees who employ laboratory technicians, pharmacists, nurses, anaesthetists, x-ray technicians or physical therapists in Region 10 covering the States of California, Nevada and Arizona. The effect of the removal of this exemption subjects all doctors' offices in this area where any nurse, technician, pharmacist or physical therapist is employed to wage and salary stabilization. No doctor having this type of employee is permitted to increase the salary of any employee in his office (with the exception of another physician or surgeon) or to decrease the salary below the highest rate paid employees between January 1, 1942, and September 15, 1942, without first securing the approval of the National War Labor Board, unless an increase falls within one of the special instances wherein the War Labor Board has by its regulations authorized increases without prior approval. General Order No. 5 of the National War Labor Board reads in part as follows: "Subject to the requirements of General Order No. 31, Wage adjustments may be made in the rates of individual employees, without approval of the National War Labor Board, if they are incident to the application of the terms of a wage agreement which existed previous to or has been approved since October 3, 1942, or incident to an established or approved wage rate schedule covering the work assignments of employees and are made as a result of:

(a) Individual promotions or reclassifications;

(b) Individual merit increases within established rate ranges;

(c) Operation of an established plan of wage increases based upon length of service;

(d) Increased productivity under piece-work or incentive plans;

(e) Operation of an apprentice or trainee system."

In any other case where a physician wishes to decrease or increase the salary of any of his employees, he

† Editor's Note.—This department of CALIFORNIA AND WESTERN MEDICINE, presenting copy submitted by Hartley F. Peart, Esq., will contain excerpts from the syllabi of recent decisions, and analyses of legal points and procedures of interest to the profession.

should obtain from the National War Labor Board its Form No. 10, and file his application for approval of the proposed increase or decrease on this form with the War Labor Board office for his community, or such office as the Board may have designated. There are severe penalties for any violation of the Salary Stabilization regulations, including the power of The Commissioner of Internal Revenue to disallow as a deduction for income tax purposes all compensation paid to any employee who receives any payment made in contravention of the salary stabilization regulations.

Salary and Wage Stabilization also governs the payment of bonuses. Under War Labor Board regulations a bonus paid in a fixed amount (not based on any percentage of salary) may not be paid in an amount larger than the bonus paid for the same position at the close of the taxable year immediately preceding the current year. If the bonus is computed on a percentage basis, such as 5 per cent of the yearly salary, the percentage cannot be increased over the percentage used in the year immediately preceding. The employer must also have an established practice of customarily paying bonuses. In the event a bonus in a larger amount or based on a larger percentage is proposed, an application for approval must be filed with the War Labor Board. The only exception to this rule is that a $25 Christmas or year-end bonus was authorized to be paid without approval in 1944 even though the employer has never paid bonuses or did not pay one the previous year. In the case of new employees, they may be paid a year-end bonus without approval equal to that payable to employees doing the same or similar jobs.

LETTERS†

Concerning Relative Value of a Physician's and a Taxi Driver's Services: Re California Industrial Accident Commission:

(COPY)

Claremont, California, January 30, 1945.

Los Angeles County Medical Association,
1925 Wilshire Blvd.,
Los Angeles, Calif.
Dear Sirs:

Re: Mrs. Z———, insured by California State Compensation Insurance Fund:

An interesting fact has developed during the care of this patient which I believe should be brought to the attention of three agencies: you, the State Compensation Insurance Fund and the Industrial Accident Commission.

This patient injured her ankle so severely that she had to be hospitalized, but was not so badly hurt but that I could send her over in a local taxi. Much to my surprise, the taxi charged $2.00 for the trip. I had no recourse but to approve the bill.

However, the point of the matter is that the Industrial Accident Commission allows me $1.75 for a hospital call and does not allow anything extra for mileage from Claremont to the hospital—yet a taxi company is allowed to charge $2.00 for merely transporting the patient and rendering no additional service.

Something is wrong with the rates when professional knowledge is worth less than a taxi fare.

Yours sincerely,
(Signed) MORRILL L. ILSLEY, M. D.

Concerning Rights of Military Colleagues to Practice in California:

(COPY)

BOARD OF MEDICAL EXAMINERS
STATE OF CALIFORNIA

Sacramento 14, California, January 29, 1945.

Secretary, County Medical Society, *Addressed.*
Dear Doctor:

Doctor George H. Kress, Secretary of the California Medical Association has forwarded us a copy of his letter of January 25th relative to the right of Doctors in the Army to practice on civilians.

It has been ruled by the Office of the Attorney General of California that a medical officer not holding a license in the State of California can only practice within the confines of Army reservations or government hospitals, and such officers are not permitted to practice on the civilian population outside of such limitations.

Yours very truly,
FREDERICK N. SCATENA, M. D.
Secretary-Treasurer

Concerning Inclusion of Osteopathic Physician's Name in Listing of Doctor of Medicines, in Telephone Directory:

(COPY)

San Francisco 4, January 27, 1945.

California Medical Association, *Addressed.*
Attention: George H. Kress, M.D., Secretary.
Dear Doctor:

I have your letter of January 26th with reference to the listing of an osteopathic physician and surgeon in the telephone directory of the city of ———, in the classified column under "physicians and surgeons, M.D."

It is my opinion that the representative of the Telephone Company who states they have no authority to take Dr. ———'s name out of this column unless the request is made by Dr. ——— himself is correct. The Telephone Company could not assume the burden of determining that each individual listing himself in the directory had held the degree of Doctor of Medicine when a listing in that column was requested.

Business and Profession Code, Section 2430 provides as follows:

"False assumption of degree or title: False statement on application. Any person is guilty of a misdemeanor who, individually or in a representative or any other capacity, assumes any degree or title not conferred upon him in the manner and by the authority recognized in this chapter with intent to represent falsely that he has received such degree or title or who, individually or in a representative or any other capacity, willfully makes any false statement on any application for examination, license or registration under this chapter."

It would seem that this would be a matter for the Board of Medical Examiners to take up with Dr. ——— as he is apparently violating this section.

Very truly yours,
(Signed) HARTLEY F. PEART
Legal Counsel, C.M.A.

111 Sutter Street.

Concerning Disciplinary Procedures on Patient's Complaint to a County Medical Society:

(COPY)

Dear Dr. ———:

We have examined your letter of October 30, 1944, with enclosed patient's statement and have examined the ——— County Medical Society constitution and by-laws.

† CALIFORNIA AND WESTERN MEDICINE does not hold itself responsible for views expressed in articles or letters when signed by the author.

As to the proper method of submitting a patient's complaint to the Society, we find the following:

1. Chapter V, Section 1 (a) of your by-laws adopts the disciplinary procedure set out in Chapter II, Section 3 of the by-laws of the C.M.A.

2. Section 1 (b) of said chapter in your by-laws provides that charges may be referred either by a member of the Society or by the Committee on Professional Relations. In this instance, I assume that no specific member could prefer the charges, and, therefore, formal charges would have to be filed with the Council by the Committee on Professional Relations.

3. Chapter IX, Section 4 (f) defines the duties of said Committee requiring it to "receive and investigate all complaints against any member of this Society accused of an act or omission subject to discipline according to Article IV of the constitution of the Society and may prefer formal charges on its own motion of any such act or omission when it deems such action justified." This reference to "Article IV" apparently is a misprint and is intended to refer to Section 4 of Article II of the constitution. As Section 4 governs all disciplinary action, the Committee on Professional Relations has authority under your by-laws to hear the complaint by a patient and then to file formal charges against the physician involved with the Council as it deems such action justified.

4. Section 4 (f) of Chapter IX of your by-laws also provides that acts and proceedings of the Committee on Professional Relations shall be secret and confidential until it files formal charges.

In view of the foregoing, I suggest that the proper procedure to be followed in this case would be first, to refer the patient's complaint to the Committee on Professional Relations which could consider the matter, interview the complaining patient and, perhaps, the patient's friend who may also have cause of complaint on account of the treatment of her son. If the Committee on Professional Relations determines there are grounds for filing charges, it should then file formal charges with the Council of the ———— County Medical Society following the procedure set out in Chapter II, Section 3 of the C.M.A. by-laws.

If the Committee on Professional Relations should determine to file formal charges with the Council of the Society, we will be glad to advise you further, if desired, on any questions which may arise under the procedure set out in the C.M.A. by-laws.

We are returning herewith your copy of the ———— County Medical Society constitution and by-laws.

Very truly yours,
(Signed) HARTLEY F. PEART.

Concerning Item Regarding Late Dr. Paul Tatsuguchi:

(COPY)

COLLEGE OF MEDICAL EVANGELISTS
Clinical Division
White Memorial Hospital
Los Angeles, November 24, 1944.

George H. Kress, M.D., Editor, *Addressed.*
Dear Dr. Kress:

I am very slow in answering your letter of November 6, regarding the article which was published in CALIFORNIA AND WESTERN MEDICINE, for October (p. 210), regarding the death of Dr. Paul Tatsuguchi at Attu. I have heard and have read a number of reports regarding this man, and I suppose that if we ever know the truth we may have to wait until the close of the war. I understand that some of the information in his diary was made public, but that much of the information has been withheld by the military.

At any rate, I am enclosing two articles which have been published here, the first one is of September 15, 1943, and the other is in the Alumni Journal of November, 1943. It may be that the report in the CALIFORNIA AND WESTERN MEDICINE is correct, but one or two of the boys who have investigated the situation at Attu apparently disagree with some of the opinions as published by the press.

While Tatsuguchi was a student with us he was very quiet and coöperative and otherwise a good student. A number of his classmates refused to think the worst of him and believed that to a greater or lesser extent he was a victim of circumstances because he was in Japan at the outset of the war. . . .

With best regards, I remain,

Sincerely yours,
(Signed) W. E. MACPHERSON, M.D., *President.*

Concerning Facilities for Plastic Surgery in Government Hospitals:

(COPY)

THE AMERICAN LEGION
Department of California
Service Department, Veterans Administration,
Fort Miley, San Francisco 21, California

Dear Dr. Kress:

Your recent communication addressed to the State Veterans Welfare Board regarding Plastic Surgery in Veterans' Hospitals has been referred to my attention for reply.

It has been our experience that in nearly every case where a veteran needed plastic surgery he was given this attention before he was discharged from the Armed Forces.

The Veterans Administration have the authority to do this type of surgery for veterans who require same after they are discharged from the Military Service and the provisions of their regulations are quite liberal which provides that if they do not have on their Staff qualified plastic surgeons at the time such surgery is needed the Managers have the authority to hire on a fee basis qualified doctors for such work.

If there is any other question at issue in this matter that I have not answered, please feel free to call upon me.

Yours very truly,
(Signed) CHARLES R. FARRINGTON,
Department Service Officer.

Private Nurse Use in Civilian Cases Curbed.—Because of the urgent need for nurses in the armed forces, civilian employment of certain classes of private duty nurses will be restricted under joint action taken on January 19 by the California State Nurses' Association and the State Committee for the Procurement and Assignment of Nurses.

Coöperation Asked

Identical resolutions adopted by the two agencies called on professional nurse registries operated by local districts of the nurses' association to "no longer fill private duty calls with private duty nurses classified by the Procurement and Assignment Committee as available for military service or essential duty."

California hospitals and doctors were called upon to coöperate in the move, which, if effective, should result in larger numbers of private duty nurses either responding to the appeals of the Army and Navy, or replacing in hospitals and other essential institutions nurses who have heeded the call to military service.

Private duty nursing needs of the civilian population, in this event, would be met by nurses ineligible for military duty, or by older nurses.

TWENTY-FIVE YEARS AGO†

EXCERPTS FROM OUR STATE MEDICAL JOURNAL

Vol. XVIII, No. 2, February, 1920

EXCERPTS FROM EDITORIAL NOTES

Announcement.—The meeting of the Medical Society of the State of California, which was to be held at Del Monte, May 11, 12, 13, [1920] this year, has been transferred to Santa Barbara on the same dates. This was necessitated through the discovery that the Hotel Del Monte, which is the only caravansary capable of accommodating a large number of members, was unable to give us the dates assigned by our By-Laws. . . .

State Bureau of Child Hygiene.—The Bureau of Child Hygiene of the State Board of Health became an entity following the passage of a law at the last legislative, but the director of this bureau was not appointed until the State Civil Service Commission certified physicians who had passed an examination. . . .

California's Mineral Springs.—Of all therapeutic methods in use by the medical profession few, doubtless, can claim the antiquity, and unreserved commendation of immemorial use, so thoroughly as baths and the use of mineral springs both internally and externally. . . .

A recent bulletin of the University of Southern California is devoted to a most readable article by Professor G. E. Bailey on some hot springs of Southern California. Being a geologist, Professor Bailey describes with authority the natural resources of the state in mineral springs. . . .

Annual Meeting of the League of Public Health.—The third annual meeting of the League for the Conservation of Public Health was held in the Blue Room of the St. Francis Hotel, December 29. A complete review of the comprehensive work of the League was given in a report by Dr. Charles D. McGettigan, Chairman of the Executive Committee. . . .

From this report of the Executive Committee, we find that representatives of the League have been very busy during the past year, as they have traveled more than 50,000 miles through California in advancing the purposes to which the League is dedicated. That there was no lost motion, and that the good seed that was sown on the ground covered was growing sturdily was evidenced by abundant facts. . . .

It is not only the medical profession, which has too long endured the heavy handicap imposed by misfit methods of poor hospitals, that is welcoming the work of the League, but Chambers of Commerce and business organizations in several communities have enlisted the services of the League to develop hospital sentiment and make proposed new hospitals community service centers.

Another worthy enterprise of the League that is of interest not only to all the ethical members of the medical profession but to all the people of the State, is the

(Continued from Front Advertising Section, on Page 26)

† This column, compiled by the undersigned, strives to mirror the work and aims of colleagues who bore the brunt of Association activities some twenty-five years ago. It is hoped that such presentation will be of interest to both old and new members

Historical reminiscences, papers and other archives will be welcomed by the C.M.A. Committee on History, to whom such should be sent. Address same to the Committee's Secretary, Dr. George H. Kress, Room 2004, 450 Sutter, San Francisco, 8.

BOARD OF MEDICAL EXAMINERS OF THE STATE OF CALIFORNIA†

By F. N. Scatena, M. D.
Secretary-Treasurer

Board Proceedings

The date of the next meeting of the Board has been changed from March 5-8 as originally advertised to February 27-March 2. The place of meeting will be the Elks Club, Los Angeles. This was necessitated by circumstances over which the Board has no control. Every effort is being made to notify all applicants and others concerned as to this change of meeting date.

* * *

The number of applicants for reciprocity from other states of the United States and from the various military services is still far above normal and the Board has increased the number of oral examinations in an effort to meet the situation.

News

"Proposed legislation making important changes in the procedure of State administrative boards and bureaus has been given final approval by the State judicial council and will be introduced at the January session of the legislature, it was announced yesterday by Chief Justice Phil S. Gibson, judicial council chairman. Judge Gibson declared that the right of the individual to appeal to the courts from the rulings of these agencies will be preserved, 'simplified and clarified.' However, he said, the proposed amendments 'will also direct the courts to consider the public interest involved before restraining the effect of a board order while the case is pending in the courts.' The judicial council undertook its inquiry into administrative agency procedure at the request of the 1943 legislature. Its major recommendations, according to Judge Gibson, include: Substitution of a department of administrative procedure in place of the present department of professional and vocational standards, and giving its continuing responsibility to improve the operation of all State boards and commissions." (San Francisco *Examiner,* December 12, 1944.)

"Attorney General Kenny ruled yesterday that service medical officers not licensed in California may treat civilian visitors in national parks if a civilian doctor is not employed. The opinion was sought by the Board of Medical Examiners which questioned whether a Navy doctor stationed at Yosemite National Park for the benefit of servicemen that were quartered there could serve civilians." (San Francisco *News,* December 12, 1944.)

"Convicted of what the judge termed a technical violation of the law through sale of sodium pentobarbitol, Lyle Daniel Potter of the Medical Specialties Co. at 2428 West Sixth Street, was today granted immediate probation by Municipal Judge C. Newell Carns and a $15 fine. Attorney Everett Leighton, representing Potter, charged entrapment, claiming that a deputy sheriff, Robert G. Johnston, posed as a physician in buying the

(Continued in Back Advertising Section, on Page 42)

† The office addresses of the California State Board of Medical Examiners are printed in the roster on advertising page 6. News items are submitted by the secretary of the Board.